

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

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

August 6, 2024

First Three Quarters of Fiscal Year Ending September 30, 2024 Results Presentation

- Progress toward the plan: 76% for net sales and 86% for operating profit, reflecting a steady performance. Operating profit ratio rose year on year.
- While there is no specific concern about achieving the revised plan, the full-year forecasts were kept unchanged in light of uncertainty in the business environment.

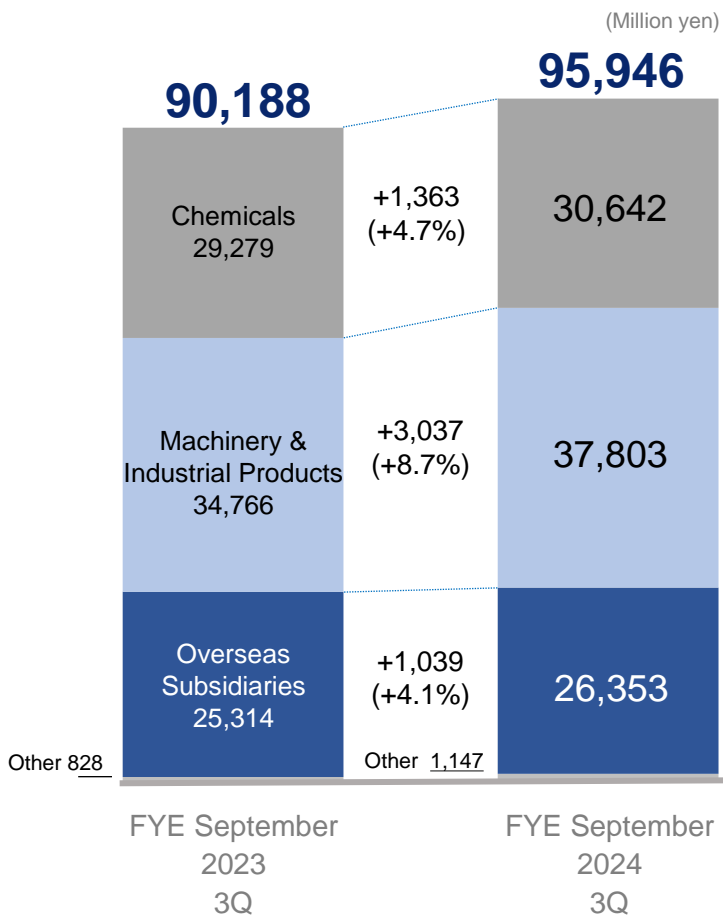
(Million yen)	FYE September 2023	FYE September 2024			
	3Q	3Q	Full fiscal year		
	Result	Result	Year on year	Revised plan (announced on May 9, 2024)	Rate of progress
Net sales	90,188	95,946	+6.4%	126,000	76.1%
Gross profit (Gross profit ratio)	15,207 (16.9%)	16,696 (17.4%)	+9.8%		
Selling, general and administrative expenses	10,012	10,819	+8.1%		
Operating profit (Operating profit ratio)	5,195 (5.8%)	5,877 (6.1%)	+13.1%	6,800 (5.4%)	86.4%
Ordinary profit (Ordinary profit ratio)	5,601 (6.2%)	7,293 (7.6%)	+30.2%	7,500 (6.0%)	97.2%
Profit attributable to owners of parent	3,705	4,722	+27.5%	4,900	96.4%
EPS (yen)	128.90	164.07	-	170.22	-

* 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 for the fiscal year ended September 30, 2023 have been revised retroactively.

Summary of Results by Segment

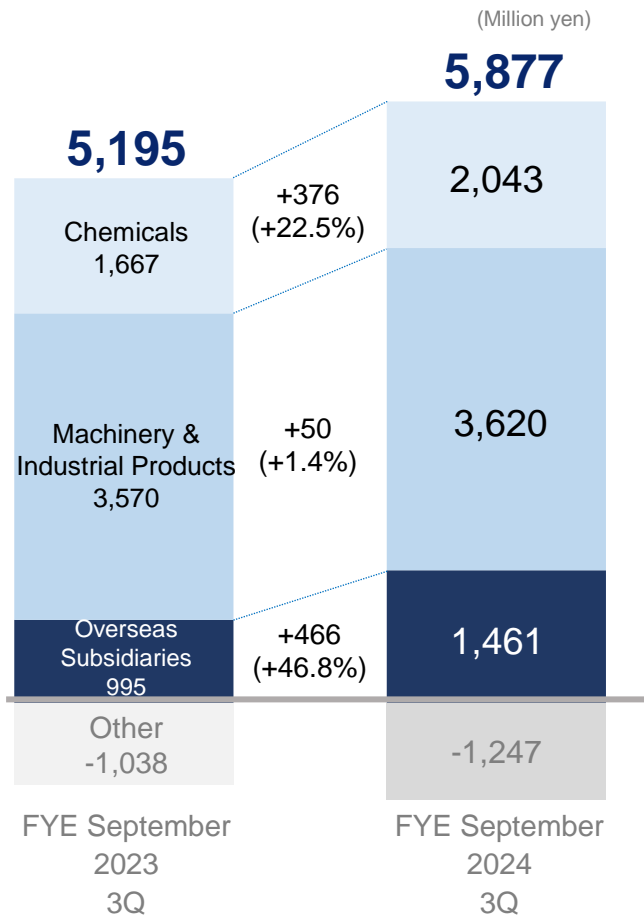
Net sales year on year

+5.75 billion yen (+6.4%)



Operating profit year on year

+0.68 billion yen (+13.1%)



Chemicals

Increase in sales / Increase in profit

Machinery & Industrial Products

Increase in sales / Increase in profit

Overseas Subsidiaries

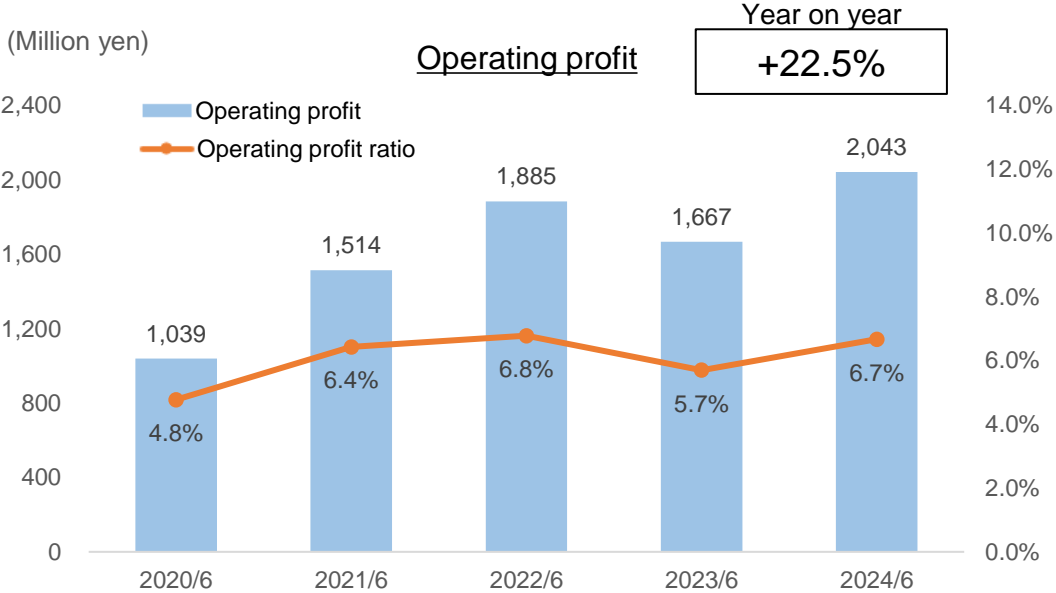
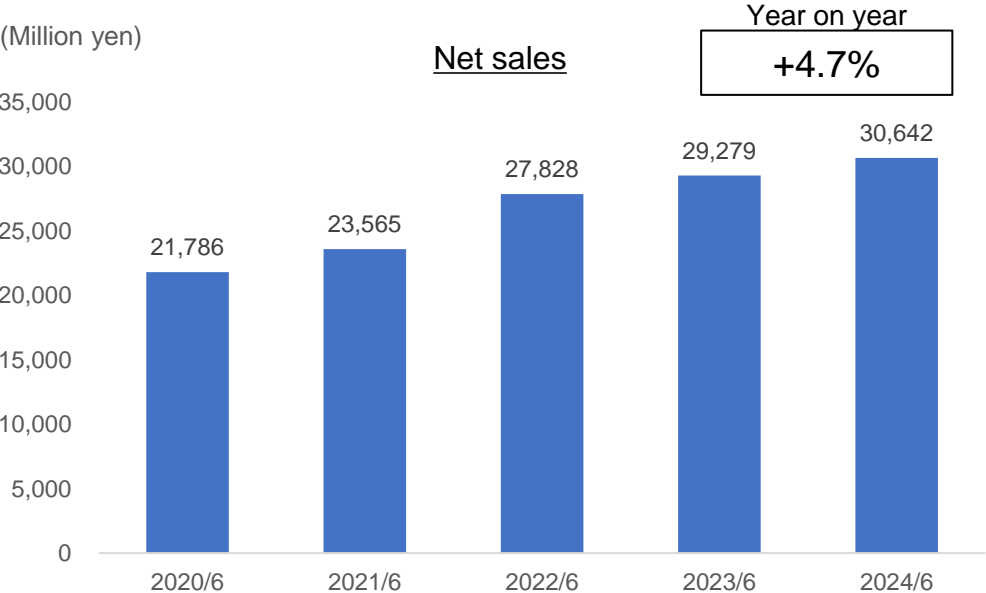
Increase in sales / Increase in profit

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Chemicals Segment

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

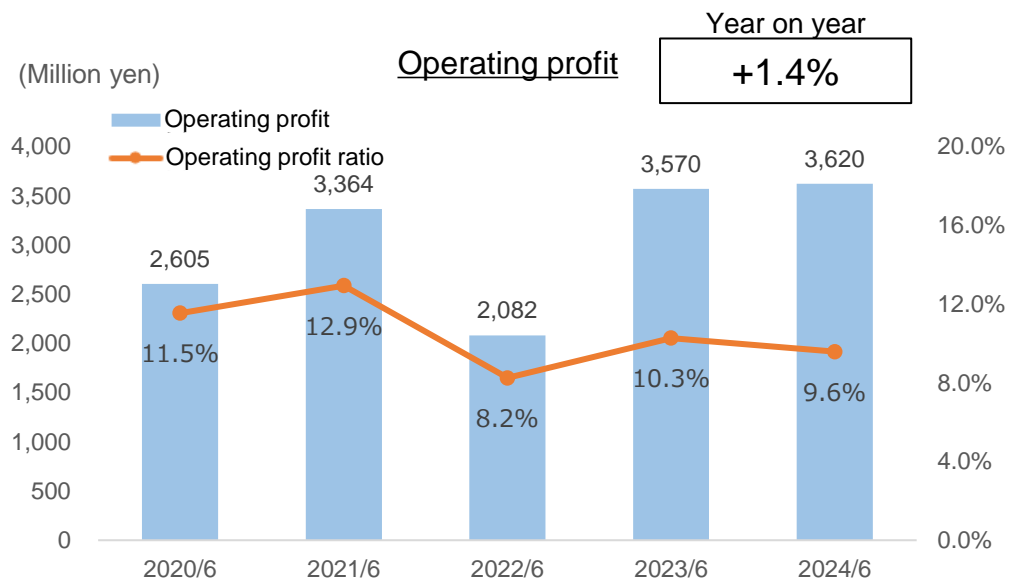
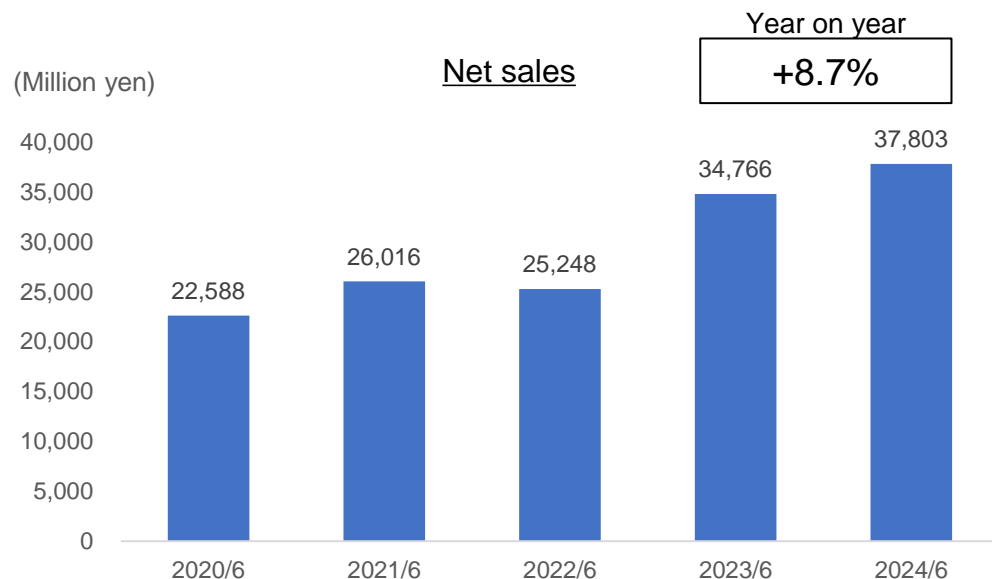
Business Unit	Situations in the Third Quarter
Rubber	<ul style="list-style-type: none"> Sales tumbled year on year although demand for raw materials remained on a recovery trend amid strong automobile production in Japan. In contrast, profit was solid following a revision to sales prices of imported goods and sales growth of secondary materials.
Chemical	<ul style="list-style-type: none"> Both sales and profit were strong and reflecting the solid performance of mainstay products as well as progress in improving profitability due to the review of prices.
Life Science (Material Solution)	<ul style="list-style-type: none"> Sales and profit were both strong, reflecting brisk sales of electrical materials, surfactants and other mainstay products as well as the buoyant performance of the new business with drilling fluid additives and chemicals.



Machinery & Industrial Products Segment

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

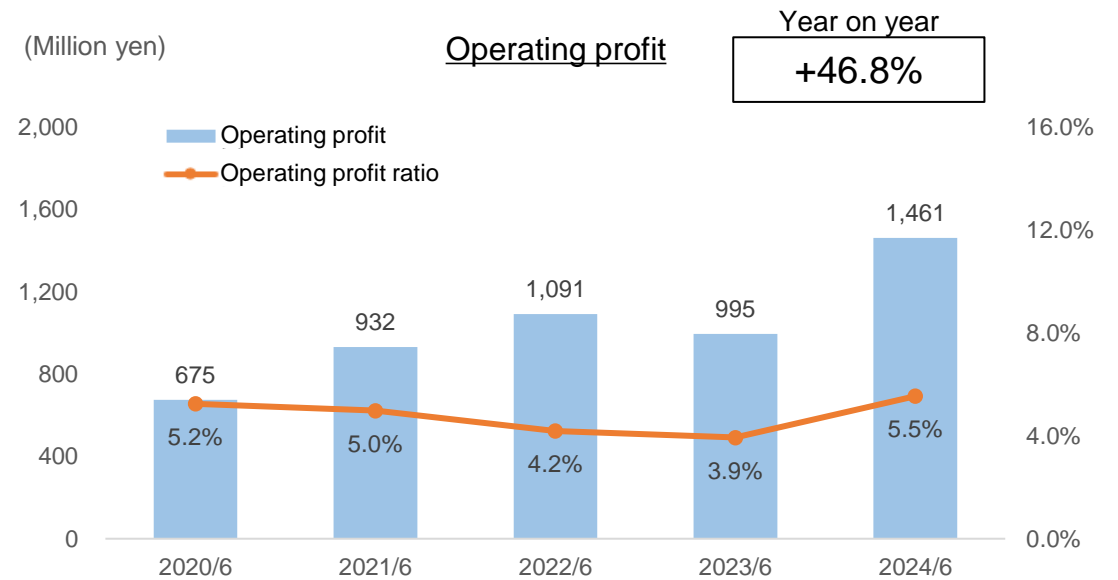
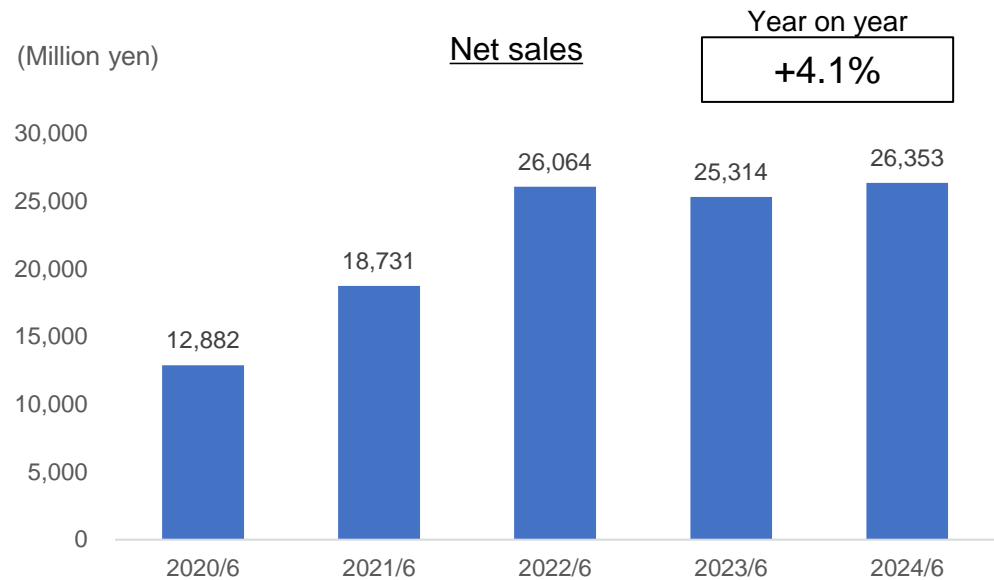
Business Unit	Situations in the Third Quarter
Industrial Products	<ul style="list-style-type: none"> • Sales were solid due the brisk production of auto manufacturers, although profitability fell slightly.
Green Technology	<ul style="list-style-type: none"> • Feed processing machines: Performance improved year on year, with solid progress in the delivery of main units and in sales of related wearing parts. • Wood biomass: Sales dropped year on year. While a large order was gained, no project for main units was realized. • Cosmos Shoji: Both ocean development and oil- and gas-related equipment performed well. Sales of equipment related to geothermal heat rallied. • YPTECH: Profit tumbled year on year due to weak demand for mainstay products.
Life Science (Scientific Instruments)	<ul style="list-style-type: none"> • Sales and profit were both down year on year, following a decrease in orders received because of price increases and the weaker yen. • Sales of biotech products handled by Scrum Inc. were up year on year, mainly in the field of genetic analysis.



Overseas Subsidiaries Segment

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

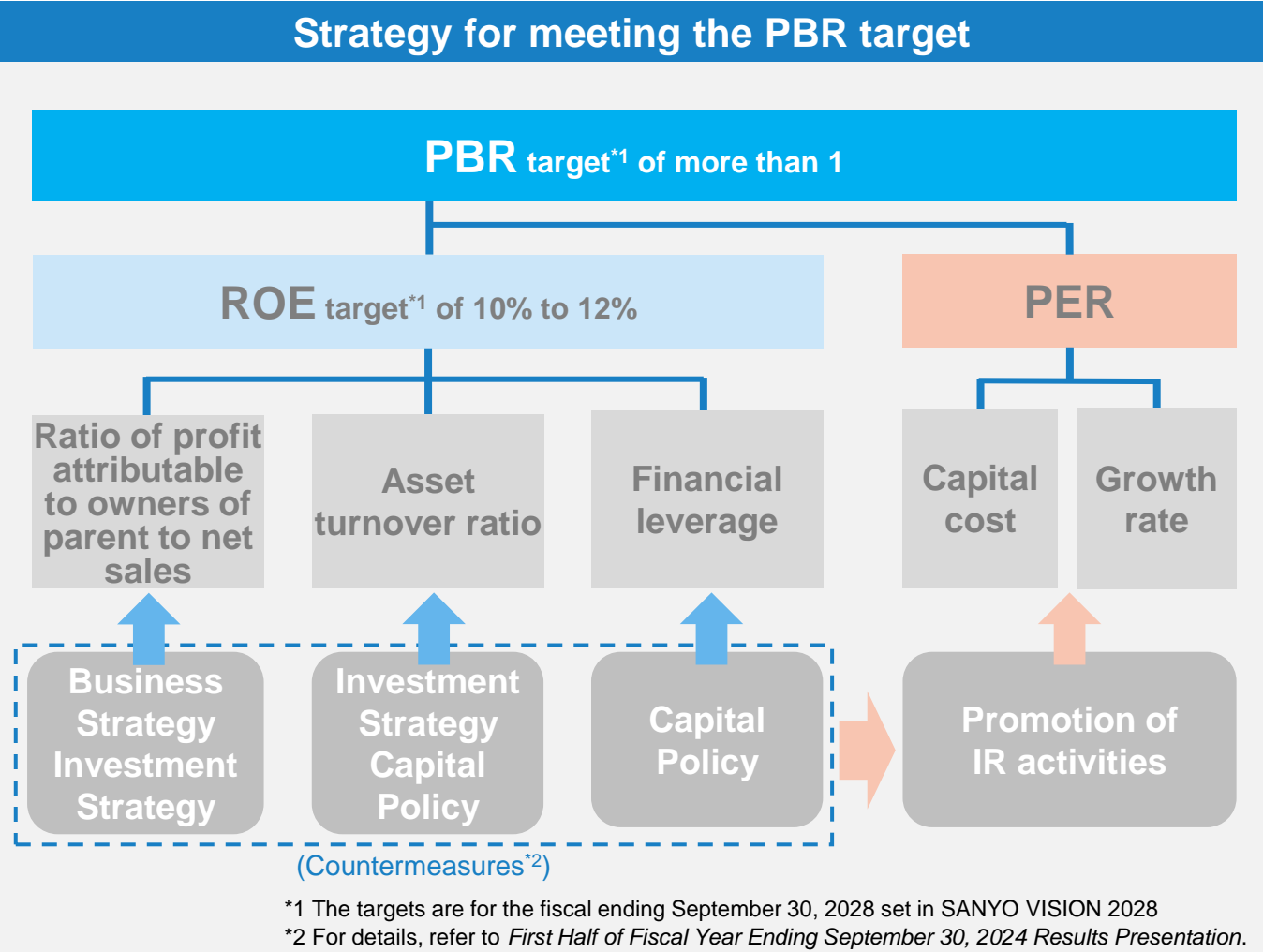
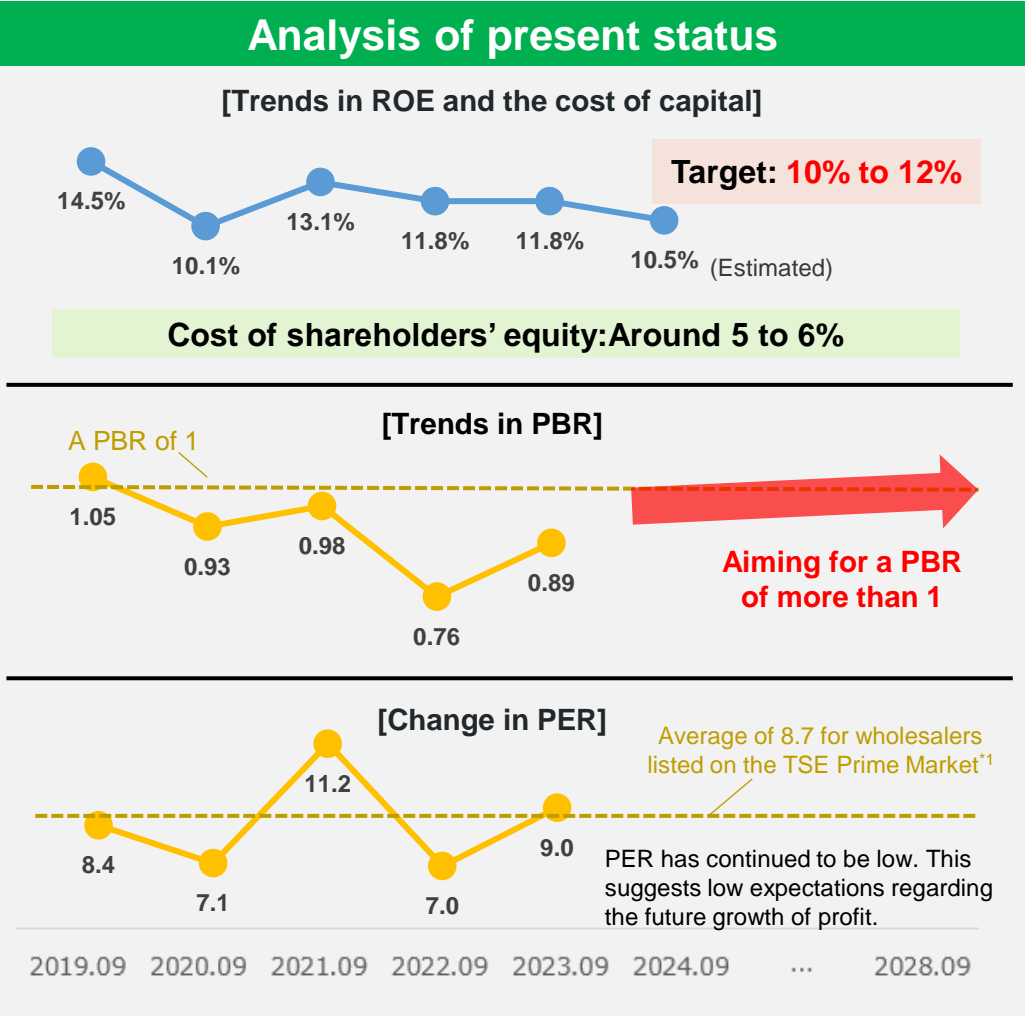
Business Unit	Situations in the Third Quarter
Overseas Subsidiaries	<ul style="list-style-type: none">•USA: While sales dropped as a result of the falling unit selling prices of high performance resins, profit grew due to the solid performance of film- and automobile-related merchandise.•China: Results contracted year on year, impacted by the economic slowdown.•Thailand: Profit owed a lot to strong auto parts-related sales.•Other areas: Automobile- and rubber-related merchandise performed strongly in Mexico. In Vietnam, results were strong after the launch of the new business with drilling fluid additives and chemicals. In Indonesia, performance was healthy with temporary growth in demand for rubber-related products.



* Fiscal year ended March 31, 2024: 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). To reflect the change, the results of the fiscal year ended March 31, 2023 have been revised retroactively.

Management with Awareness of Cost of Equity and Stock Prices

- The cost of shareholders' equity was around 5% to 6%. ROE was far higher than the cost of equity.
- We will strive to keep PBR constantly higher than 1 while maintaining the ROE level above the cost of equity.



Consolidated Balance Sheet

(Million yen)

Assets	23/9 4Q (As of September 30, 2023)	24/9 3Q (As of June 30, 2024)
Cash and deposits	7,031	8,683
Notes and accounts receivable - trade, etc.	24,794	26,485
Inventories	23,429	24,954
Other current assets	2,033	4,345
Property, plant and equipment	3,238	3,174
Other non-current assets	8,010	9,388
Total assets	68,537	77,032

Liabilities	23/9 4Q (As of September 30, 2023)	24/9 3Q (As of June 30, 2024)
Notes and accounts payable - trade	11,838	12,398
Short-term borrowings	5,381	5,755
Other current liabilities	5,441	8,413
Long-term borrowings	333	150
Other non-current liabilities	1,651	2,048
Net assets	43,890	48,266
Total liabilities and net assets	68,537	77,032

[Key Points]

- Increases in working capital and in other non-current assets were covered by profit and borrowings.

	23/9 4Q (As of September 30, 2023)	24/9 3Q (As of June 30, 2024)
Ratio of interest-bearing debt	13.2%	12.3%
Shareholders' equity ratio	63.4%	62.5%

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

Inquiries about IR

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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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Quest for Next