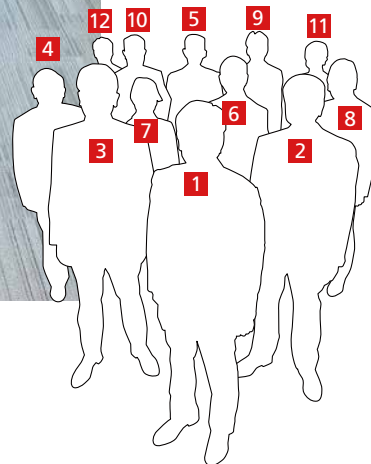


List of Officers (as of October 1, 2022)



1 Hiroyuki Tamura

Representative Director, President & CEO
In charge of Overseas Business Development

Apr. 1982	Joined the Company
Apr. 1997	Managing Director of YUASA MECHATRONICS (M) SDN. BHD.
Mar. 2000	President of YUASA WARWICK MACHINERY LTD.
Oct. 2002	Managing Director of YUASA SHOJI EUROPE B.V.
Apr. 2007	General Manager of Factory Solution Division of the Company
Apr. 2009	Executive Officer, General Manager of Factory Solution Division of the Company
Jun. 2010	Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Jun. 2013	Managing Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Apr. 2014	Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Apr. 2016	Senior Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company
Apr. 2017	Representative Director, President & CEO of the Company
Apr. 2021	Representative Director, President & CEO and in charge of Overseas Business Development of the Company (incumbent)

Reason for election

Mr. Hiroyuki Tamura has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Industrial Market Headquarters and also has abundant experience and achievements in overseas business as a representative of some of the Company's overseas subsidiaries and a Director in charge of Overseas Business Development. Moreover, having demonstrated outstanding management skills since taking the position of Representative Director, President & COO of the Company in April 2017, the Company decided it would be appropriate to have him contributing to the growth of the Company and the Group going forward.

2 Haruo Sanoki

Representative Director, Senior Managing Director
Supervisory Manager of Management Administration

Apr. 1978	Joined the Company
Apr. 2007	Vice Assistant General Manager of Machinery Engineering Division of the Company
Apr. 2011	Executive Officer, General Manager of Machinery Engineering Division of the Company
Jun. 2013	Director, Executive Officer, General Manager of Machinery Engineering Division of the Company
Apr. 2015	Director, Executive Officer, Vice Supervisory Manager of Management Administration, General Manager of General Affairs Department of the Company
Apr. 2017	Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company
Apr. 2018	Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company
Jun. 2019	Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company (incumbent)

Reason for election

Mr. Haruo Sanoki has full knowledge of the machine tools area due to his being a Director, Executive Officer, General Manager of the Machinery Engineering Division and having served as a Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of the Management Administration. He has worked on strengthening the management foundation and governance at both the Company and the Group and has abundant experience and achievements.

3 Kenichi Tanaka

Senior Managing Director
Supervisory Manager of Sales Division
Chief General Manager of Living Environment Market Headquarters

Apr. 1982	Joined the Company
Oct. 2007	General Manager of Plant Business Department of the Company
Apr. 2008	Vice Assistant General Manager of Building Facility Division of the Company
Apr. 2010	Executive Officer, General Manager of Building Facility Division of the Company
Apr. 2011	Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company
Jun. 2014	Director, Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company
Apr. 2017	Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company
Jun. 2017	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company
Apr. 2018	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters of the Company
Apr. 2019	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company
Jun. 2019	Senior Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company
Apr. 2020	Senior Managing Director, Executive Officer, Supervisory Manager of Sales Division and Chief General Manager of Living Environment Market Headquarters of the Company (incumbent)

Reason for election

Mr. Kenichi Tanaka has full knowledge of the housing, air and fluidic control systems area due to his serving in such capacities as Managing Director, Executive Officer, General Manager of the Living Environment Division (Eastern Area) and as Senior Managing Director, Executive Officer, Chief General Manager of the Living Environment Market Headquarters, and has abundant experience and achievements.

List of Officers (as of October 1, 2022)

4 Naomi Nakayama | Director Chief General Manager of Construction Market Headquarters

Apr. 1979 Joined the Company
Apr. 2007 Vice Assistant General Manager of Housing Division of the Company
Oct. 2009 Branch Manager of Hokkaido Branch of the Company
Apr. 2011 Executive Officer, General Manager of Living Environment Division (Western Area) of the Company
Apr. 2014 Executive Officer, Branch Manager of Tohoku Branch of the Company
Jan. 2019 Executive Officer, Chief General Manager of Construction Market Headquarters of the Company
Jun. 2019 Director, Executive Officer, Chief General Manager of Construction Market Headquarters of the Company (incumbent)

Reason for election

Mr. Naomi Nakayama has full knowledge of the building exterior and construction machines areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Construction Market Headquarters, having served as Executive Officer, Branch Manager of the Tohoku Branch, and has abundant experience and achievements.

5 Mamoru Hamayasu | Director Chief General Manager of Industrial Market Headquarters

Apr. 1984 Joined the Company
Apr. 2011 Vice Assistant General Manager of Factory Solution Division of the Company
Apr. 2012 President and General Sales Manager of YUASA TRADING (SHANGHAI) CO., LTD.
Apr. 2014 Supervisory Manager of East Asia Area of the Company, and Chairperson and President of YUASA TRADING (SHANGHAI) CO., LTD.
Apr. 2015 Executive Officer, Supervisory Manager of East Asia Area of the Company, and Chairperson and President of YUASA TRADING (SHANGHAI) CO., LTD.
Dec. 2016 Executive Officer of the Company, and Representative Director, President of YUASA TECHNICAL ENGINEERING CO., LTD. (currently YUASA NEOTECH CO., LTD.)
Apr. 2021 Executive Officer of the Company, and Representative Director, President of YUASA NEOTECH CO., LTD.
Jun. 2021 Senior Executive Officer of the Company, and Representative Director, President of YUASA NEOTECH CO., LTD.
Apr. 2022 Senior Executive Officer, Chief General Manager of Industrial Market Headquarters of the Company
Jun. 2022 Director, Executive Officer, Chief General Manager of Industrial Market Headquarters of the Company (incumbent)

Reason for election

Mr. Mamoru Hamayasu has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Executive Officer and Senior Executive Officer of the Company, including as a representative of the Company's overseas subsidiary and Representative Director, President of YUASA NEOTECH CO., LTD., a subsidiary of the Company, and has abundant experience and achievements.

6 Shinzo Maeda | Outside Director

Apr. 1970 Joined Shiseido Company, Limited
Jun. 2003 Director, Corporate Officer, General Manager of Corporate Planning Department of Shiseido Company, Limited
Jun. 2005 Representative Director, President and CEO of Shiseido Company, Limited
Apr. 2011 Representative Director, Chairperson of Shiseido Company, Limited
Apr. 2013 Representative Director, Chairperson, President and CEO of Shiseido Company, Limited
Apr. 2014 Representative Director, Chairperson of Shiseido Company, Limited
Jun. 2014 Counselor of Shiseido Company, Limited (retired June 2020)
Jun. 2015 Outside Director of the Company (incumbent)
Sep. 2015 Outside Director of TOSHIBA CORPORATION (retired in June 2018)
Jun. 2021 Outside Director of S.T. CORPORATION (incumbent)

Reason for election

Mr. Shinzo Maeda has worked in various public offices, in addition to having been the Representative Director, Chairperson of Shiseido Company, Limited, and has abundant experience and high principles as a global business executive and intellectual. Due to these qualities, the Company decided that he can be expected to give direction and advice from an independent and objective viewpoint as an Outside Director.

7 Keiko Toya | Outside Director

Jul. 1999 Managing Director of MARKETING EXCELLENCE Co. LTD. (incumbent)
Apr. 2010 Adjunct Lecturer, Business School, Professional Graduate School, Chuo University (incumbent)
Apr. 2014 Visiting Researcher, Human Informatics Research Institute, The National Institute of Advanced Industrial Science and Technology (currently Human Augmentation Research Center) (incumbent)
Apr. 2014 Professor, Graduate School of Global Business, Meiji University (incumbent)
Oct. 2014 Member of Science Council of Japan (incumbent)
Jun. 2019 Outside Director of the Company (incumbent)
Jun. 2021 Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) (incumbent)
Sep. 2021 Outside Director of QB Net Holdings Co., Ltd. (incumbent)

Reason for election

Ms. Keiko Toya has for many years advised a number of companies on corporate management as a marketing consultant, has abundant experience and knowledge through her involvement as a committee member of administrative institutions, etc., and she is currently pursuing further research activities. Due to these qualities, the Company decided that she can be expected to give direction and advice from an independent and objective viewpoint as an Outside Director.

8 Kyosuke Kimura | Outside Director

Apr. 1979 Joined Kimura Shindai Industry Co., Ltd. (currently PARAMOUNT BED CO., LTD.)
Aug. 1979 Member of the Board, Kimura Shindai Industry Co., Ltd.
Oct. 1982 Member of the Board, Kimura Kosan Co., Ltd. (currently PARAMOUNT BED HOLDINGS CO., LTD.)
Sep. 1987 Senior Managing Director, PARAMOUNT BED CO., LTD.
Apr. 1991 Senior Executive Director, PARAMOUNT BED CO., LTD.
Apr. 1997 Executive Vice President, PARAMOUNT BED CO., LTD.
Apr. 2009 President and Chief Executive Officer, PARAMOUNT BED CO., LTD.
Feb. 2011 President and Chief Executive Officer, PARAMOUNT BED HOLDINGS CO., LTD.
Apr. 2020 Chairperson, PARAMOUNT BED HOLDINGS CO., LTD. (incumbent) Chairperson, PARAMOUNT BED CO., LTD. (incumbent)
Jun. 2021 Outside Director of the Company (incumbent)

Reason for election

Mr. Kyosuke Kimura has been engaged in the management of PARAMOUNT BED HOLDINGS CO., LTD. and PARAMOUNT BED CO., LTD. for many years, and has a wealth of experience and a high level of insight as a business executive. Due to these qualities, the Company decided that he can be expected to take on a supervisory and advisory function from an independent and objective standpoint as an Outside Director.

9 Yoshiyuki Furumoto | Audit & Supervisory Board Member

Apr. 1982 Joined the Company
Jun. 2011 General Manager of Credit Department of the Company
Jun. 2016 Executive Officer and General Manager of Credit Department of the Company
Apr. 2018 Executive Officer and Special Assistant to the President & CEO of the Company
Jun. 2018 Full-time Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

Mr. Yoshiyuki Furumoto has many years of experience related to management administration as the Company's General Manager of Credit Department and a solid track record as a Full-time Audit & Supervisory Board Member of the Company. The Company has decided that he possesses sufficient knowledge of finance and accounting matters.

10 Takeshi Maeda | Audit & Supervisory Board Member

Apr. 1984 Joined the Company
Apr. 2007 Assistant Deputy General Manager of Finance Department of the Company
Apr. 2012 Vice Branch Manager of Kansai Branch Office of the Company
Apr. 2014 General Manager of Affiliated Companies' Strategy Department of the Company
Apr. 2016 General Manager of Finance Department of the Company
Apr. 2020 Vice Branch Manager of Kansai Branch Office and General Manager of Osaka Administration of the Company
Apr. 2022 Audit & Supervisory Board Members Office of the Company
Jun. 2022 Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

Mr. Takeshi Maeda has many years of experience and a solid track record related to finance and management administration in the Finance Department and management administration departments of the Company. The Company has decided that he possesses sufficient knowledge of finance and accounting matters.

11 Susumu Tsuruta | Outside Audit & Supervisory Board Member

Apr. 1986 Registered as an attorney at law (Daini Tokyo Bar Association) Joined Tsuchiya and Takaya Law Office (currently, Tsuchiya Law Office)
Apr. 1990 Established Murakami and Tsuruta Law Office
Jan. 2005 Partner at Tsuchiya Law Office (incumbent)
Jun. 2011 Outside Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

Mr. Susumu Tsuruta is expected to strengthen the auditing structure of the Company by utilizing his expert knowledge and experience as a lawyer.

12 Mitsuhiro Honda | Outside Audit & Supervisory Board Member

Apr. 1984 Joined the National Tax Agency
Jul. 2010 General Manager, General Affairs Department, Takamatsu Tax Bureau
Jul. 2012 Professor, University of Tsukuba Graduate School of Business Sciences (incumbent)
May 2013 International Tax Advisor, TOMA Consultants Group Co., Ltd. (incumbent)
Apr. 2014 Part-time Instructor, Waseda University Graduate School (retired in March 2021)
Mar. 2016 Outside Audit & Supervisory Board Member, Roland DG (incumbent)
Apr. 2016 Professor, Graduate School of Global Business, Meiji University and Lecturer (retired in March 2022)
Apr. 2017 Research Grant Selection Committee Member, The Institute of Tax Research and Literature (incumbent)
Aug. 2017 Member of the United Nations Committee of Experts on International Cooperation in Tax Matters (retired in June 2021)
Jun. 2018 Outside Audit & Supervisory Board Member of the Company (incumbent)
Sep. 2021 Outside Director of YOKOREI Co., Ltd. (incumbent)

Reason for election

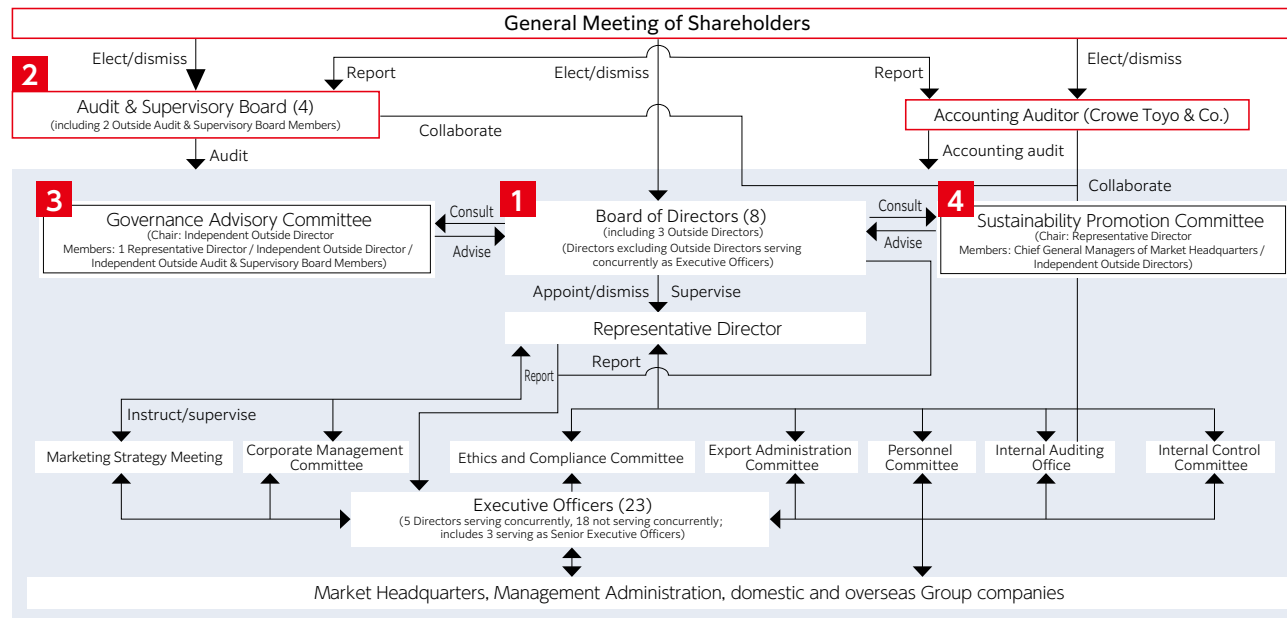
Mr. Mitsuhiro Honda has expert knowledge of tax matters due to his many years working for the National Tax Agency and as a university professor, and has experience as an Outside Audit & Supervisory Board Member of Roland DG and an Outside Director of YOKOREI Co., Ltd. The Company has decided that he possesses considerable knowledge of tax and accounting matters.

Basic Approach to Corporate Governance

As a social entity, YUASA TRADING aims to maximize corporate value, return profits to society, and continue to operate in the long term by maintaining and expanding a multi-faceted and positive relationship between management (Directors) who are entrusted by many shareholders and various stakeholders, including shareholders who delegated responsibility to management, employees, suppliers, sales partners, and financial institutions.

The Group is a large conglomerate comprised of 39 affiliated companies, including 32 consolidated subsidiaries and one equity method affiliate. However, centered on YUASA TRADING, the Group maintains close cooperation and strives for disciplined company management that improves the value of the overall corporate group based on the policies of our governance system.

Corporate governance system (as of October 1, 2022)



The company implemented an Executive Officer system in order to strengthen the function of the Board of Directors as a decision-making body and an organization that oversees business execution. In addition to aiming to optimize the number of Directors, the company elected three Outside Directors as we strengthen the execution structure by accelerating business execution and clarifying responsibilities.

On the other hand, the Audit & Supervisory Board that serves

as the supervising body is comprised of a total of four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members. Each Audit & Supervisory Board Member attends important meetings, such as the Board of Directors meetings, and conducts strict audits on the business execution of Directors from an independent perspective as they contribute to the strengthening and enhancement of the governance system.

1 Board of Directors

Chaired by Hiroyuki Tamura, Representative Director and President, the Board of Directors is the body making decisions related to important business execution and monitoring business execution of Directors. The company holds the Board of Directors meetings once a month, in principle, as well as other extraordinary meetings as necessary. In order to further strengthen corporate governance and ensure management transparency, the company designated three Outside Directors and two Outside Audit & Supervisory Board Members as Independent Officers. In addition, the four Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) attend the Board of Directors meetings, where they express their opinions as appropriate and survey the execution of their roles as Directors.

Attendance to the Board of Directors meetings for FY2021

100%

Attendance to the Board of Directors meetings*1

(as of October 1, 2022)

Directors	FY2021		FY2022	
	FY2021	FY2022	FY2021	FY2022
Hiroyuki Tamura	15/15	8/8	Full-time Yoshiyuki Furumoto	15/15 8/8
Haruo Sanoki	15/15	8/8	Full-time Takeshi Maeda	— 4/4 ³
Kenichi Tanaka	15/15	8/8	Outside/Independent Susumu Tsuruta	15/15 8/8
Naomi Nakayama	15/15	8/8	Outside/Independent Mitsuhiro Honda	15/15 8/8
Mamoru Hamayasu	—	4/4 ³		
Outside/Independent Shinzo Maeda	15/15	8/8		
Outside/Independent Keiko Toya	15/15	8/8		
Outside/Independent Kyosuke Kimura	15/15 ²	8/8		

*1 All Directors and Audit & Supervisory Board Members attended all Board of Directors meetings.

*2 The attendance of Director Kyosuke Kimura for FY2021 is shown for after his appointment on June 24, 2021.

*3 The attendances of Director Mamoru Hamayasu and Audit & Supervisory Board Member Takeshi Maeda for FY2022 are shown for after their appointments on June 24, 2022.

Basic Approach to Corporate Governance

2 Audit & Supervisory Board

The Audit & Supervisory Board of the company is chaired by full-time Audit & Supervisory Board Member Yoshiyuki Furumoto and is comprised of two full-time Audit & Supervisory Board Members and two part-time Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members). Based on the auditing policies and plans established in the Audit & Supervisory Board, Audit & Supervisory Board Members attend the Board of Directors meetings and other important meetings, view important decision-making documents, visit each business site, and survey subsidiaries in order to conduct audits related to execution of duties of Directors and internal controls.

Attendance at
Audit & Supervisory Board
meetings for FY2021

100%

Attendance to Audit & Supervisory Board meetings

(as of October 1, 2022)

Audit & Supervisory Board Members	FY2021	FY2022
Full-time Yoshiyuki Furumoto	9/9	4/4
Full-time Takeshi Maeda	—	4/4*
Outside/Independent Susumu Tsuruta	9/9	4/4
Outside/Independent Mitsuhiro Honda	9/9	4/4

*The attendance of Audit & Supervisory Board Member Takeshi Maeda for FY2022 is shown for after his appointment on June 24, 2022.

3 Governance Advisory Committee

The company has appointed three independent Outside Directors, and the Outside Directors make up one third of all the Directors, establishing a system by which the Directors and Board of Directors can obtain advice on important matters from independent Outside Directors as appropriate. In addition, at the meetings of the Board of Directors, each of

the independent Outside Directors actively expresses his or her opinion and provides advice as necessary based on his or her extensive experience of management, and the appropriate resolutions on important matters are approved.

The company has established the Governance Advisory Committee chaired by an independent Outside Director as an optional advisory body beneath the Board of Directors with members that mainly consist of independent officers for the purpose of strengthening governance. The Governance Advisory Committee is composed of all the independent Outside Directors and independent Outside Audit & Supervisory Board Members as well as one Representative Director. The committee deliberates on the following matters and reports to the Board of Directors.

- (1) Matters related to appointment and dismissal of Directors
- (2) Matters related to remuneration of Directors
- (3) Matters related to analysis and evaluation on the effectiveness of the overall Board of Directors and other proposals related to governance

This committee meeting was held six times in the fiscal year ended March 31, 2022 and reported to the Board of Directors on the following matters.

- Decisions on remuneration for individual Directors
- Election of eight Directors; election of one substitute Audit & Supervisory Board Member at the 143rd Ordinary General Meeting of Shareholders
- Changes to the Board of Directors deliberation standards

The following are the members of the Governance Advisory Committee.

Independent Outside Director (Committee Chairperson)	Shinzo Maeda
Independent Outside Director	Keiko Toya
Independent Outside Director	Kyosuke Kimura
Independent Outside Audit & Supervisory Board Member	Susumu Tsuruta
Independent Outside Audit & Supervisory Board Member	Mitsuhiro Honda
Representative Director, Senior Managing Director	Haruo Sanoki

In addition, Shinzo Maeda was elected as the lead independent Outside Director through a vote among the independent Outside Directors. After collecting the views of the other independent Outside Directors as necessary, the lead independent Outside Director informs the Board of Directors and the Audit & Supervisory Board of the opinions of the independent Outside Directors and discusses the response.

Independent officers, including Outside Audit & Supervisory Board Members who have been registered as independent officers with the Tokyo Stock Exchange, make up the majority of the Governance Advisory Committee members, and an independent Outside Director chairs the committee, which has established an environment for frank discussions to take place as a committee independent of management.

4 Sustainability Promotion Committee

The Board of Directors has deliberated on important matters related to ESG and sustainability. However, in October 2021, the company established the Sustainability Promotion Committee to further promote Group-wide sustainability management. The Sustainability Promotion Committee sets targets related to sustainability, monitors progress, and evaluates achievements. The committee will aim to meet twice a year and submit reports and recommendations to the Board of Directors on sustainability issues and progress.

- (1) Identification of key sustainability issues for the Group from a medium- to long-term perspective, study for resolution of issues, and design of future vision
- (2) Establishment, revision, and abolition of basic policy, rules, and procedures, etc. for the implementation of the aforementioned
- (3) Matter the Sustainability Promotion Committee deems necessary related to the Group's sustainability management
- (4) Matters for consultation from the Board of Directors

Basic Approach to Corporate Governance

The following are the members of the Sustainability Promotion Committee.

Committee Chairperson
Representative Director, Senior Managing Director
Haruo Sanoki

Members
Kenichi Tanaka
Chief General Manager, Living Environment Market Headquarters

Members, Director
Naomi Nakayama
Chief General Manager, Construction Market Headquarters

Member
Mamoru Hamayasu
Chief General Manager, Industrial Market Headquarters

Members, Independent Outside Director
Shinzo Maeda

Members, Independent Outside Director
Keiko Toya

Members, Independent Outside Director
Kiyosuke Kimura

Initiatives to improve the effectiveness of the Board of Directors

In addition to the Directors and Audit & Supervisory Board Members doing a self-evaluation of their execution of duties, we use a questionnaire about the effectiveness of the Board of Directors to evaluate the aptness of operational methods, procedures, and deliberation standards. These results are reported to the Board of Directors in order to improve the operation of the Board of Directors.

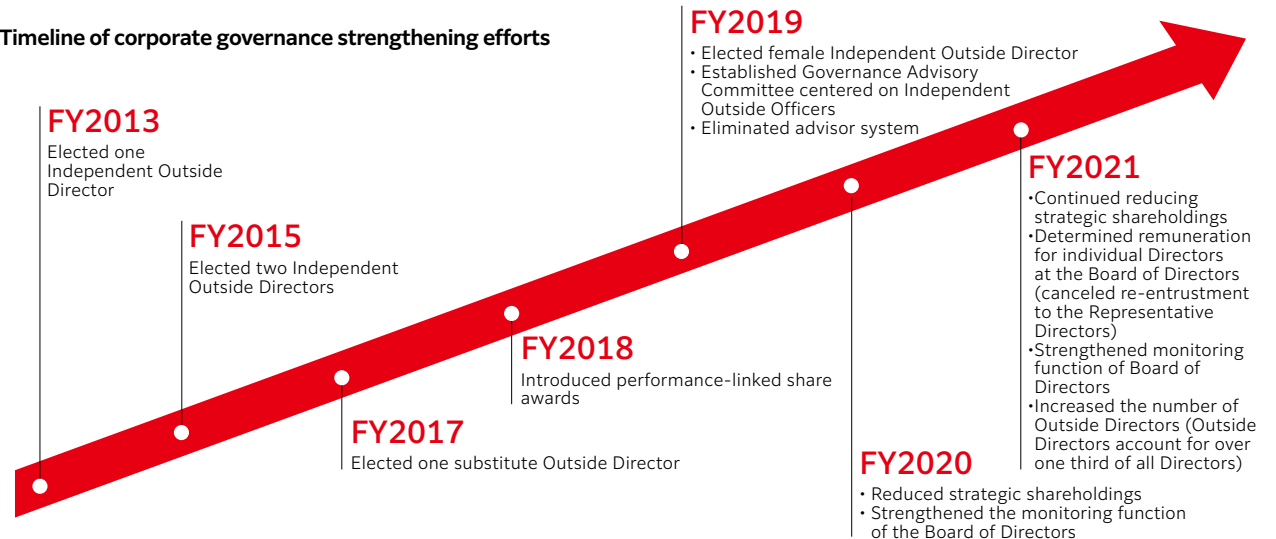
For evaluating the effectiveness of the Board of Directors for fiscal year ended March 31, 2022, all Directors and Audit & Supervisory Board Members filled out a questionnaire (self-evaluation) and discussed the results.

In addition to sharing an awareness of our current status, it is necessary to continuously improve the effectiveness of the Board of Directors through an extraction of issues. In light of the report on the findings of analysis and evaluation of the operation of the Board of Directors based on the results of the questionnaire, we review the Board of Directors deliberation standards and aim to make improvements to create more nimble Board of Directors operations.

Procedures for evaluation of effectiveness of Board of Directors (fiscal year ended March 31, 2022)



Timeline of corporate governance strengthening efforts



Strengthening efforts conducted in FY2021

(1) Reduced strategic shareholdings

Strategic shareholdings reduction standards (common to the Group companies)

- Holding limit standards
 - Net asset standards Reduce if shareholdings amount exceeds a set percentage of net assets of held company
 - Income standards Reduce if shareholdings amount exceeds a set percentage of profit of held company
- Continual holdings standards Reduce if profitability to market cap falls below a set percentage

Sales results for FY2021 (including the Group companies)

16 companies, 991,000 shares
As a result of sales, strategic shareholdings accounted for 6.83% of consolidated net assets at the end of the fiscal year ended March 31, 2022.

(2) Revised process for determining remuneration for Directors

In order to further increase the fairness and objectiveness and to ensure the transparency of the process for determining remuneration for Directors, it was decided that the Board of Directors will determine remuneration, etc. for individual Directors. With regards to remuneration relating to the fiscal year ended March 31, 2022, the remuneration for individual Directors held on June 24, 2021 based on the report and recommendation from the Governance Advisory Committee.

(3) Strengthened the monitoring function of the Board of Directors

Receiving the report of the Governance Advisory Committee, we continued to review the Board of Directors deliberation standards and strengthened the monitoring function of the Board of Directors.

Skill Matrix

Skill matrix for Directors

Name	Position and main responsibility in the company	Corporate management	Marketing	Organization and personnel development	Finance and accounting	Legal affairs & risk management	Global operations
Hiroyuki Tamura	Representative Director, President & CEO In charge of Overseas Business Development						
Haruo Sanoki	Representative Director, Senior Managing Director Supervisory Manager of Management Administration						
Kenichi Tanaka	Senior Managing Director Supervisory Manager of Sales Division Chief General Manager of Living Environment Market Headquarters						
Naomi Nakayama	Director Chief General Manager of Construction Market Headquarters						
Mamoru Hamayasu	Director Chief General Manager of Industrial Market Headquarters						
Shinzo Maeda	Outside Director						
Keiko Toya	Outside Director						
Kyosuke Kimura	Outside Director						

*The above table lists up to four fields in which Director's expertise is particularly expected, based on the past experience of each candidate for Director. It is not an exhaustive list of all the expertise and experience the Director possesses.

► Provision of training for Directors and Audit & Supervisory Board Members

The company continuously provides the necessary opportunities, facilitation, and financial support, including holding seminars by outside instructors, for all the Directors and Audit & Supervisory Board Members, including Outside Directors and Outside Audit & Supervisory Board Members, to acquire the business, accounting, finance, legal affairs, and organizational knowledge required to fulfill their roles and responsibilities. Newly appointed officers also strive to acquire knowledge of corporate law by attending outside seminars.

► Support for Outside Directors

Members of the Secretariat provide the Outside Directors with an explanation of the agenda for the meeting of the Board of Directors before the date when the meeting is held each month. The full-time Audit & Supervisory Board Member, who participates in the Corporate Management Committee meetings and other key meetings, also provides the Outside Audit & Supervisory Board Members with an explanation of the agenda for the meeting of the Board of Directors before the meeting is held each month. In principle, the meeting of the Audit & Supervisory Board is also held on the day of the meeting of the Board of Directors to discuss the agenda again. The company has assigned one member of staff to the Audit & Supervisory Board and works to strengthen the auditing system to make it more effective.

► Qualifications and criteria for determining the independence of Independent Outside Directors

With the objective of increasing objectivity in management decision-making and further improving the soundness and transparency of management, when appointing Outside Directors, in addition to the requirements under the Companies Act, the company uses the factors for determining (independence criteria) when there is a risk of conflict of interest with general shareholders in the Guidelines Concerning Listing Control, etc. of the Tokyo Stock Exchange as the criteria for determining the independence of Independent Outside Directors. Furthermore, when selecting candidates for Independent Outside Directors, the criteria for selection is based on their ability to provide advice on management policies and improving management based on their own knowledge, from the perspective of promoting the company's sustainable growth and increasing its corporate value over the medium to long term, and to supervise management through the appointment and dismissal of senior management and other important decisions of the Board of Directors.

► Reasons for the election or nomination of individual candidates for Director

The reasons for the election of all the Directors and Audit & Supervisory Board Members are described in the reference documents for the General Meeting of Shareholders.

In addition, the areas of expertise that the company particularly expects the candidates for Directors to have are listed in the form of a skill matrix. In appointing Outside Directors and Outside Audit & Supervisory Board Members, the scale of transactions between the company, the Group companies, and the companies where the candidates hold concurrent positions is listed to provide shareholders with information on the determination of independence.

Remuneration for Directors and Other Officers

■ Total amount of remuneration, total amount of remuneration by type, and number of recipient directors and other officers (fiscal year ended March 31, 2022)

Categories	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of recipient directors (and other officers)
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors	283	167	69	46	8
Audit & Supervisory Board Members	50	50	-	-	2
Outside Directors	35	35	-	-	3
Outside Audit & Supervisory Board Members	19	19	-	-	2
Total	388	271	69	46	15

(Note) 1. The limits of remuneration for Directors and Audit & Supervisory Members are set as below based on a resolution of the 139th Ordinary General Meeting of Shareholders held on June 22, 2018.

In addition, the portion of this remuneration that is for the Outside Directors is set as shown in parentheses based on a resolution of the 142nd Ordinary General Meeting of Shareholders held on June 24, 2021.

(1) Directors

A maximum of ¥380 million per year (of which not more than ¥50 million is for Outside Directors). Separately, a maximum amount of money funding for the performance-linked share awards system in the applicable period comprising three fiscal years is a total of ¥540 million. However, the total for the system is a maximum of ¥360 million for the two fiscal years of FY2019 and FY2020. Further, the company abolished the remuneration of share acquisition rights as it implemented the performance-linked share awards system. As of the conclusion of the 139th Ordinary General Meeting of Shareholders, the number of Directors is 10, and as of the conclusion of the 142nd Ordinary General Meeting of Shareholders, the number of Outside Directors is three.

(2) Audit & Supervisory Board Members

A maximum of ¥80 million per year. The company has abolished the remuneration of share acquisition rights. As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members is four (two of whom are Outside Audit & Supervisory Board Members).

2. The bonus above is the maximum provision for performance-linked remuneration for Directors (excluding Outside Directors) for the eight Directors (excluding Outside Directors) for this fiscal year.

3. The remuneration sum for Directors (excluding Outside Directors) does not include the ¥36 million (including bonuses) in employee wages for Directors who serve concurrently as employees.

4. The content of non-monetary remuneration is the performance-linked remuneration described in "Concept of remuneration (1) Remuneration for Directors (b) Performance-linked remuneration."

▶ Concept of remuneration

(1) Remuneration for Directors

Remuneration for Directors (excluding Outside Directors) is comprised of basic remuneration and performance-linked remuneration (bonuses/shares). Outside Directors only receive basic remuneration.

(a) Basic remuneration

Monetary remuneration paid as a fixed sum depending on the position

(b) Performance-linked remuneration

Performance-linked remuneration is comprised of bonuses and performance-linked share awards.

- Bonuses are monetary remuneration that fluctuate in amount based on consolidated results and individual results of the previous fiscal year.
- Performance-linked share awards are comprised of a "fixed portion" that provides points for each fiscal year and a "performance-linked portion" that provides points based on the achievement level of performance targets at the final fiscal year of the Medium-term Management Plan. This remuneration is paid upon retirement (one point = one share). Further, since 50% is paid as shares of the company and 50% is used to pay income taxes, etc., the latter is paid as monetary value equivalent to the realized shares.

(2) Remuneration for Audit & Supervisory Members

Remuneration for Audit & Supervisory Members is paid only as a fixed monetary amount as basic remuneration as separately established for full-time and part-time members through deliberations of all Audit & Supervisory Members in order to reflect the independent nature, based on the remuneration system and standard corresponding to their duties and responsibilities.

■ Performance indicators

This remuneration system aims to provide incentives to improve medium- to long-term company results and corporate value and share interests with shareholders. The following indicators are used for evaluations in the Medium-term Management Plan "Growing Together 2023" that ends in the fiscal year ending March 31, 2023.

Evaluation indicator (standard)	Evaluation weight	Performance linked factor
Consolidated net sales* (¥545.0 billion)	1/3	0-2.0
Consolidated ordinary profit (¥16.4 billion)	1/3	0-2.0
Profit attributable to owners of parent (¥11.5 billion)	1/3	0-2.0

*Before revenue recognition

■ Relationship between evaluation indicators and performance-linked factors

(Method of determining performance-linked share awards amount)

Consolidated net sales	Consolidated ordinary profit	Profit attributable to owners of parent	Performance linked factor
¥599.5 billion or more	¥21.4 billion or more	¥15.0 billion or more	2.0 (upper limit)
¥545.0 billion	¥16.4 billion	¥11.5 billion	1.0
¥490.5 billion or less	¥11.5 billion or less	¥8.1 billion or less	0 (lower limit)

Ethics and Compliance

The YUASA TRADING Group has enacted a management philosophy, ethics policy, and code of conduct. The Representative Director and President is prioritizing the execution of these policies. By repeatedly expressing this mindset to Directors and employees, the hope is that laws and regulations and compliance to corporate ethics become a foundation for all company activities.

► Compliance system

We have established an Ethics and Compliance Committee that is under the direct control of the Representative Director and President. The chair of this committee is selected by the Representative Director and President from among the Directors. The Ethics and Compliance Committee utilizes in-house training to boost its effectiveness and monitors the

compliance status along with the Internal Auditing Office. It has formed an ethics and compliance system that spans across the YUASA TRADING Group.

► Ethics and Compliance Hotline

A permanent hotline has been established to directly report and advise with the Ethics and Compliance Committee if Directors or employees of the company violate or may have violated laws and regulations, the Articles of Incorporation, or other regulations. This system also ensures that persons who issue such reports will not receive disadvantageous treatment for this reason. With the revision of Japan’s Whistleblower Protection Act in June 2022, the company revised its internal reporting rules, limited the internal hotline for reporting and advice to the Ethics and Compliance Committee Secretariat,

the Audit & Supervisory Board Members and the YUASA labor union and the external hotline to the lawyers in charge at the advising law firm, and strengthened compliance with the obligation to protect confidentiality. At the same time, the company expanded the scope of those who are able to seek advice so that former officers and employees can also use the hotline up to one year after their resignation.

After receiving an inquiry or report, the Ethics and Compliance Committee will investigate the incident, enact measures to prevent it from occurring again, and will report important cases to the Board of Directors through the Representative Director and President.

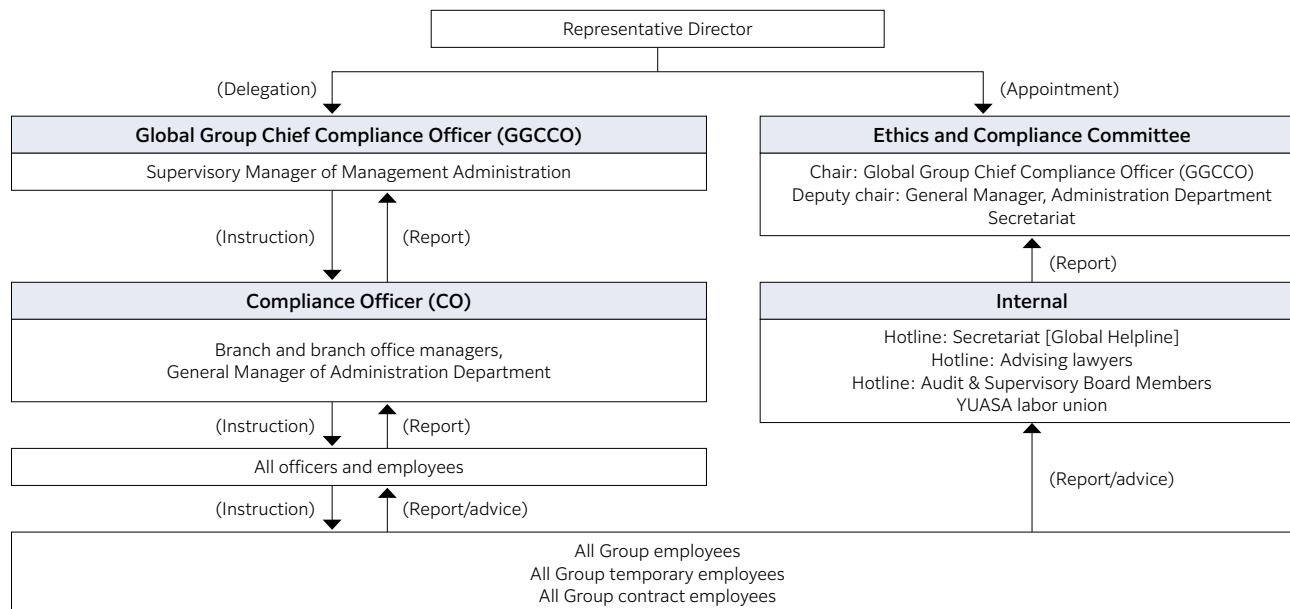
► Response against anti-social forces

The code of conduct declares the severance of any relationship with anti-social forces. Furthermore, the company is standardizing the management of information through manuals and in-house training in order to eliminate and eradicate anti-social forces. External approaches are managed in the Ethics and Compliance Committee. The company also participates in the Tokyo Metropolitan Police Organized Crime Prevention Association (Tokuboren) and strives to gather information and preempt transactions with anti-social forces.

► Compliance education and training

The company implements grade-specific (new employees, employees hired mid-career, newly appointed site managers, newly appointed line managers, etc.) education and training on compliance in general, and e-learning education on preventing harassment for all Group employees (implemented September – end of October 2022).

■ Ethics and compliance system



✓ Risk Management

The YUASA TRADING Group has appointed the Director in charge of the Management Administration as the Risk Management Supervisory Manager and has established a system to swiftly and appropriately transmit information and respond to emergencies for each expected risk. The Risk Management Supervisory Manager reports on the status of risk management to the Board of Directors as necessary and works to establish a business continuity management system to minimize business disruption and impact in the event that a risk materializes.

▶ Risk Management Supervisory Manager

The Risk Management Supervisory Manager presides over the Ethics and Compliance Committee, places staff depending on the category of the risk, grasps various risks in business activities of the Group based on related internal regulations/messages, proposes countermeasures, comprehensively manages risks across the Group (including raising awareness), and reports the status of risk management to the Board of Directors as needed.

▶ Export Administration Committee

In order to improve compliance related to overseas transactions and exports in particular, the Export Administration Committee established the Safe Export Management Guidelines as internal standards related to compliance of export laws and regulations. This committee is responsible for raising awareness and monitoring activities.

▶ BCP

In January 2020, the company revised the basic policy of the BCP (business continuity plan) with a focus on the establishment of a disaster management system for risks to business operations in the case of a natural disaster like earthquakes or flooding, or viruses like COVID-19 led by the Environmental and Resilience Committee. Based on this policy, the company is developing a headquarters disaster prevention plan, stockpiling evacuation supplies, constructing a payment system, implementing a system to confirm

people's safety, creating and distributing disaster prevention cards, and executing disaster prevention training.

▶ Key risks assumed

Main risks recognized with the potential to have a material impact on financial position, operating results, and cash flow

1. Economic fluctuation risk

Risk in the event of unforeseen changes in the economic trends in new areas and new markets such as those overseas

2. Share price fluctuation risk

Risk in the event of changes in share prices

3. Interest rate fluctuation risk

Risk in the event of changes in the interest rate for interest-bearing liabilities with variable interest rates

4. Credit risk

Risk in the event of credit extended to business partners inside and outside Japan involving credit losses

5. Exchange rate fluctuation risk

Risk in the event of changes in the exchange rate in import and export transactions

6. Compliance risk

Risk in the event of major changes in or application of unexpected interpretations of relevant laws and regulations, including laws and regulations related to business activities

7. Risk related to information systems and information security

Risks such as leaks of confidential corporate information or personal information due to unexpected unauthorized external access or invasion by a computer virus, as well as non-operation of information systems due to damage to system equipment or issues with communication lines from a natural disaster or an accident

8. Product liability risk

Risk in the event of product defects that lead to a large-scale recall or product liability compensation

9. Country risk

Risk that it will be difficult to collect receivables or investments and loans due to policy changes or changes in the political and economic environment of counterparty countries overseas

10. Natural disaster risk, etc.

Risk of shutdown of business site functions, damage to equipment, and interruptions in the supply of power and other services in the event of a natural disaster, such as an earthquake or large-scale flooding, or an unexpected outbreak of an infectious disease, such as a new virus

11. Climate change risk

Risk of stronger legal regulations and regulations on provision of products associated with climate change