

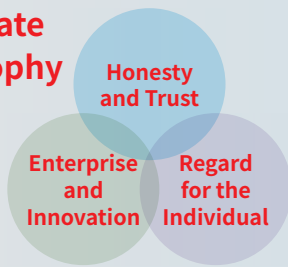
YUASA INTEGRATED REPORT 2024



Corporate Philosophy and Our History

A corporate philosophy based on our founding ethos, and a history of innovation that captures the spirit of the times.

Corporate Philosophy



Social credibility through fair and honest dealings, new value from a spirit of enterprise, and building people and an organization that respect individuality and rights of employees. In over 350 years of history, YUASA has captured the times to transform itself again and again, while honoring a corporate philosophy based on its founding ethos.

1666 Founded

Shokuro Yuasa, our founder, launched a charcoal trading business in Kyoto.



Founder Shokuro Yuasa

1670 Our First Innovation

When the Warring States period ended, sword-smiths gradually switched to making scissors and kitchen knives. In its 5th year, the company closed its charcoal business, entering its second incarnation as a cutlery wholesaler. Our founder's decision to look to the future was YUASA TRADING's first innovation and forms the foundation for the transformation that continues today.

1674 Expanded to Edo (Tokyo)

Opened an Edo outlet in Hongoku-cho, Nihonbashi after years of hardship peddling wares from Kyoto. It was the founder Shokuro's active and enterprising nature and his keen eye for the times that began over 350 years of history.

1780 Start of the ethos of quality service

The 6th generation owner had great business acumen, and he engraved "Charcoal smithy: no assurances" (quality not guaranteed) on his outstandingly sharp razors, before distributing them for free around Tokaido highway inns. On trying them, people were amazed at the blades' keenness and wondered just how sharp the quality-guaranteed ones would be, thus his name spread around the whole of Japan.

* The company store during the Edo Period.



1909 Japan's first home-produced Western-style hardware

In 1909, Mr. Yuasa founded an iron works in Sakai, Osaka to take on the overseas imports with Japan-produced hardware. Added to spanners and pick axes, he succeeded with the first Japan-made hinges and frying pans.



1919 Establishment of Yuasa Shichizaemon Shoten

The 12th generation made major revisions to store rules to bring a new style of family business and forged ahead with a succession of reforms and new businesses, including the founding of a factory (YUASA Iron Works), the creation of YUASA Battery Manufacturing Co. Ltd, and expansion into China.



1978 Launch as a Machinery and Housing systems trading company

YUASA Ironworks Co., Ltd became YUASA Trading Co., Ltd, aiming to further develop from a Hardware Wholesaler to a Machinery & Housing systems trading company. The sales partner network "YUASA Yamazumi Association" and the supplier network "YUASA Charcoal Association" work together to organize a "Machinery & Housing Grand Sale" private exhibition. This leads to the current "Grand Fair."



1992 Mergers and New Overseas Business Development

YUASA Trading Co., Ltd. and YUASA Sangyo Co., Ltd. merge to form the current YUASA TRADING Co., Ltd.

From the early 1990s, after the bursting of the bubble economy, the company dispatched first-line sales reps to Asia in response to the "hollowing out of industry" caused by the overseas expansion of Japanese companies. This laid the foundation for our current overseas operations.

2009 Challenges in business solutions to social issues

Start of environmental and energy-saving solutions business, aiming to "contribute to the global environment through business." We established a team specialized in energy-saving consultation (the present YES Department) and began providing one-stop services to our clients' factories and offices, including energy-saving assessments and plan proposals, with follow-up support.



2016 350th anniversary of the company's founding

A commemorative ceremony was held with approximately 900 suppliers in attendance. We adopted the slogan "Together we dare; together we move forward. Growing Together," in which we take on challenges and move forward together with our history of value creation and challenging ourselves to create new value.

Medium-term Management Plan

NEXTAGE 2014

Widening the stage from Japan to "a trading company that contributes to industry and lifestyles in Asia."

YUASA LEGACY 350

Toward our 350th founding anniversary in 2016, the year of our Medium-term Management Plan. Aiming to build the foundation for one of Asia's largest "distribution platforms for industry and lifestyle."

2017 Formulating YUASA VISION 360

We formulate YUASA VISION 360 about where the Group should ideally be as we approach 2026, the 360th year since our foundation. We culminated our efforts to enhance corporate value and achieve a corporate transformation in our three-year Medium-term Management Plan "Growing Together," and began implementing the first stage.

2020 Becoming a "TSUNAGU" Service Integrated Shosha Group

Aiming to generate "TSUNAGU" innovations by leveraging the Group's total coordinate skills and solve social issues, we devise the catchphrase "TSUNAGU" Composite Specialty Trading Company Group. In addition, we launch the "Growing Strategy Headquarters" to promote business solutions for social issues across divisions, including group companies.

Long-term Vision: YUASA VISION 360

Growing Together 2020

The path to realizing the YUASA VISION 360 is divided into three stages, with the groundwork laid in the first stage, Growing Together 2020. Implementing reform of corporate culture to discover growth areas and demonstrate our total coordinate skill.

Growing Together 2023

In the second stage, Growing Together 2023, the company strengthens its existing core businesses under the keywords of "Total coordination skill," "challenge," and "communication," while discovering and fostering nine growth strategies to further enhance its management foundation.

Growing Together 2026

In the final stage, Growing Together 2026, we aim to promote our proposals business to finalize and reap the rewards of its position, thereby increasing our corporate value.

2021 Formulation of a Declaration on Sustainability

In order to further evolve the management foundation handed down over 350 years, we have formulated a Sustainability Declaration based on our corporate philosophy.

2023 Launch of Growing Together 2026

As we aim to be a corporate Group where "TSUNAGU" innovation is normalized, we created a new slogan and icon to convey this to all of our stakeholders.



2024

■ Current Status of YUASA TRADING Group (FY2023 Results)

Net sales **¥545.915 billion** [¥526.569 billion]

Ordinary profit **¥15.737 billion**

ROE **12.0%**

Total payout ratio **34.9%** (includes share buybacks)

* Net sales figures in brackets are after revenue recognition.

2026

■ Long-term “YUASA VISION 360” (FY2025 Plan)

>>> **¥600 billion** [¥576 billion]

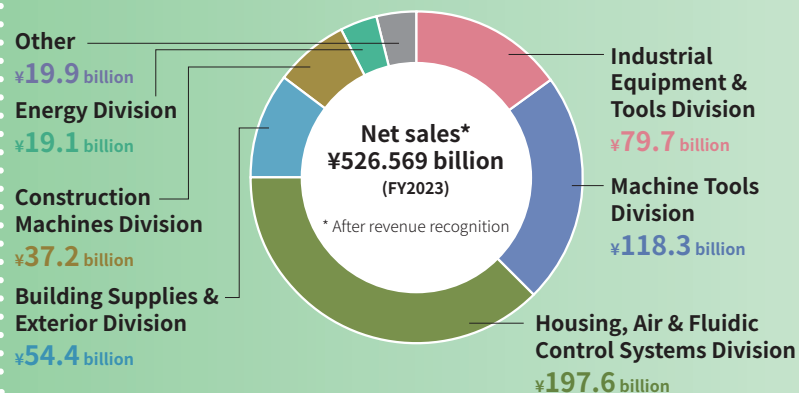
>>> **¥20 billion**

>>> **11.8%**

>>> **At least 33.0%**

Collective Response to Diverse Needs

■ Share of Total Sales Held by Each Segment



■ YUASA TRADING Group Network (as of March 31, 2024)



Achievement of YUASA VISION 360

Realize Corporate Transformation

Create a corporate group where “TSUNAGU” innovation is the norm

Improve Corporate Value

Maximize economic value (financial value) and social/environmental value (non-financial value)



Positioning of Integrated Report 2024

Integration of financial and non-financial information



Financial information

YUASA REPORT (business report)
Summary of Consolidated Financial Results and Securities Report

Non-financial information

Company Profile
Corporate Governance Report and ESG Data

YUASA TRADING Website
<https://www.yuasa.co.jp/en/>



For the Publication of the Integrated Report

The purpose of this Integrated Report is to convey to all stakeholders, including shareholders and investors, how to increase corporate value in the future while leveraging the unique strengths of the YUASA TRADING Group, with a story in an easy-to-understand manner.

The Value Creation Process focuses on the vision we aim to achieve in our Medium-term Management Plan, “Growing Together 2026,” which started in April 2023, and conveys the medium- to long-term growth story of the YUASA TRADING Group in terms of both financial and non-financial information.

Going forward, in order to strengthen our communication, we will continue to disclose information as an indispensable and important tool for dialog with stakeholders.

Published in September 2024

Kenichi Tanaka

Representative Director, Senior Managing Director
Supervisory Manager of Management Administration

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Reference Guidelines

- IFRS Foundation “Integrated Reporting Framework” and “ISSB”
- Ministry of Economy, Trade and Industry “Guidance for Collaborative Value Creation 2.0”
- Global Reporting Initiative (GRI) “Sustainability Reporting Standards”



Scope of Items Reported

In principle, the results include YUASA TRADING and 35 Group companies (30 of which are consolidated subsidiaries) as of March 31, 2024 (April 1, 2023 – March 31, 2024).

* Some organizational structures and measures include information for FY2025.

Precautions on Forward-looking Statements

In the statements of this Integrated Report, statements other than historical facts are forward-looking statements that reflect the YUASA TRADING Group's plans and expectations. Please note that actual results and performance may vary from these statements as a result of various risks, uncertainties and other factors.

Message from the President

Understanding Change and Becoming a Living Charcoal for Innovation Using TSUNAGU Thinking



Hiroyuki Tamura

Representative Director, President & CEO

The Business Environment is Always “Uncertain” Taking on the Challenge of Solving Social Issues through a Market-Out Approach

It has been said for some time now that we are living in an era of volatility, uncertainty, complexity and ambiguity (VUCA), but I doubt there has ever been an “era of certainty.” I believe that the business environment is always uncertain in a world of intersecting variables, including politics, economics, geopolitics and other factors. In light of this, the points of difference from the past are that the speed of change has increased and we are now required to respond to new social issues.

I believe the market-out approach, which I constantly talk about, is key in such an environment. The practical implementation of the market-out approach is to identify potential issues and needs ourselves by constantly being on the lookout for social and market changes, rather than waiting for a visible “answer,” and then to develop and provide the required products and services. Under our Medium-term Management Plan Growing Together 2026, we have been implementing nine growth strategy areas [P.19](#) based on the theme of “solving social issues.” We incorporated a range of themes for solving the social issues that need to be addressed going forward based on the market-out approach, such as Digital to respond to population decrease and labor shortages and Green to contribute to realizing carbon neutrality.

To solve these social issues, we need TSUNAGU innovation (see the diagram on the right). Through TSUNAGU innovation, we create and provide new value added for society by connecting people, goods, money, information, technology, and data leveraging the powerful and extensive networks we have cultivated through our 358 years in business. Nearly 30 products and services have already been created through TSUNAGU innovation. We aspire to be a corporate group where creating value through TSUNAGU thinking is the norm and each and every employee understands the importance of it and takes the lead in achieving business transformation.



Strengthening the Business Portfolio through Growth Strategy

Our growth strategy aims to strengthen our existing core businesses and spin our strengths into new markets. I have a real sense that our efforts are producing results, albeit slowly.

The YUASA TRADING Group operates businesses in four fields, which are manufacturing, home building, environment building, and town building. In the past, the industrial field, namely manufacturing, accounted for a high proportion of our business, and our performance tended to be affected by economic trends, the willingness of companies to make capital investments, and other such factors. However, the stability of our business portfolio has increased as a result of our efforts to strengthen fields related to the living environment (home building and environment building) and construction (town building) through our growth strategy. Of course, sales and profit in the industrial field have also continued to grow during this period, but we have built a business structure that is more resilient to change through the growth in other fields which has been higher [P.14](#).

In addition, the Long-term Care & Medical, Food Equipment, and Agriculture Process areas which we set out as “new markets”

Message from the President

are all industries that are essential for people's lives as well as being areas where the YUASA TRADING Group can leverage the strengths cultivated in our core businesses. As such, we aim to make these areas into new pillars of earnings. Our expansion into these new markets is also a further effort to build a robust business portfolio that is resilient to external factors, which is a challenge we will continue to pursue into the future.

Each and Every Employee Becoming a Person who Practices “Total Coordination Skills,” “Challenging Spirit” and “Communication”

Ever since assuming the position of President, I have been taking advantage of opportunities such as the Integrated Report and other media and direct visits to our sites across Japan to address the importance of “total coordination skills,” “challenging spirit” and “communication.” I feel that these keywords have now become quite firmly established. However, from now on, I think it is important to put them into practice. In other words, it is important for everyone working at the YUASA TRADING Group to actually be equipped with “total coordination skills,” “challenging spirit” and “communication.”

Speaking first of “total coordination skills,” the YUASA TRADING Group is a Service Integrated Shosha Group with seven business segments. However, in the past, not many of our employees could offer customers good explanations and proposals for manufacturers and products we handle that are outside of their own segment. There are many outstanding manufacturers with the top share in their market among our suppliers. There are no reasons not to take advantage of this strength. For instance, when we visit a business partner's plant, we have the opportunity not only to discuss machinery but also to make proposals such as updating the air conditioning or lighting. I feel that proposals leveraging such total coordination skills are gradually becoming more common at our frontlines.

Next, the reform of our personnel system is a measure to encourage a “challenging spirit.” Although this is probably not unique to our company, until now many of our employees worked continuously in the division or department to which

they were assigned when they joined, became an expert, and then left the Company. Obviously, this is an admirable way to pursue a career. However, we have now renewed our personnel system to include a new departmental transfer system based on the preferences of the individual. This will enable those employees whose career vision involves experiencing a variety of fields to further broaden their horizons to take on challenges while remaining at our company. Under the new personnel system, each year brings a new challenge with experienced Sales Division staff transferring to administration departments and vice versa for example.



In terms of “communication,” the third area, I have personally felt the changes as I visit our sites across Japan.

We have created opportunities for direct communication with employees of the YUASA TRADING Group entitled “Roundtable Meetings with the President,” and recently I have become aware of an increase in the number of constructive and positive questions about the future. In addition to topics that relate to the company as a whole such as our new headquarters and the next Medium-term Management Plan, positive inquiries about where we can make improvements to achieve better performance and expressions of interest in

taking on the challenge of overseas business have begun.

More than anything else, it was the fact that young employees gave this feedback and asked questions at roundtable meetings attended by their supervisors that made me really aware of the change. I have been saying for a long time that we need to eliminate an atmosphere in which employees cannot speak out until they are fully experienced and create a corporate culture with free and open communication, regardless of job description or age. We have established the organizations and promoted the personnel required to achieve this, but I had firsthand experience of a major change in that this kind of communication is actually being put into practice.

I am proud that the seeds of corporate culture reform are emerging little by little and that each and every employee is becoming a person who practices “total coordination skills,” “challenging spirit” and “communication,” which are the vital first steps for the growth of the YUASA TRADING Group going forward.

Significant Potential in the Overseas Business Holding First “Grand Fair” Overseas

I cannot say as yet that we have fully advanced in the Overseas Business, which is also one of our growth strategies. On the other hand, the Overseas Business has significant growth potential for us, and it is something we are focusing on in all of our divisions across the Group [P.20](#).

In Thailand, a market we are targeting in particular, we have shifted from expansion focused on manufacturing to expansion leveraging the same total coordination skills as in Japan, including home building, environment building, and town building. At the same time, we are also working to further strengthen site functions with a new company building, which consolidates the sites of two local subsidiaries and also functions as a showroom, scheduled for completion this year.

Moreover, as part of our expansion into South Asia, including Thailand, we acquired the shares of the HENKO Group, a machine tools sales company with a network encompassing six companies and seven sites in the three

Message from the President

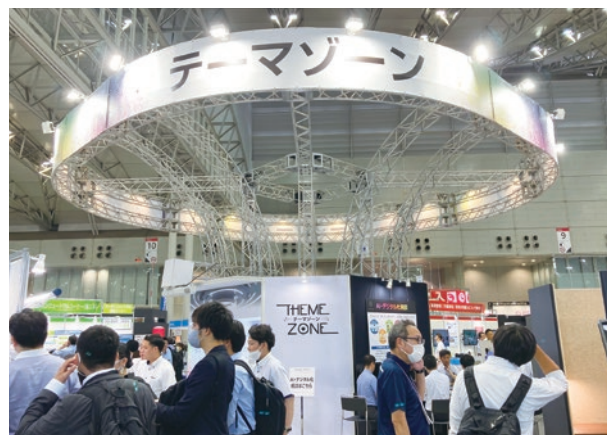
countries of Singapore, Malaysia, and Thailand, and made it into a subsidiary. The major objective of this M&A is not to simply expand sales of machine tools but also to comprehensively roll out the YUASA TRADING Group's solutions, including home building, environment building, and town building, through local capital networks on the back of high market potential in the South Asia region.

In addition, we will hold our "Grand Fair," the YUASA TRADING Group's largest promotional event, in Thailand over three days from February 5 to 7 in 2025. Approximately 150 manufacturers have already decided to exhibit in our first Grand Fair to be held overseas (as of June 2024). There are such high expectations from the manufacturers that have decided to exhibit that I feel a sense of pressure. In any case, we will ensure that the Grand Fair held in Thailand is a success first and then expand to other regions such as India and work to establish new overseas promotional events.

Proposing Solutions that "Only YUASA Can Provide"

The "Grand Fair" is a promotional event organized by the YUASA Yamazumi Association, consisting of our distributors, and was held for the first time in 1978. For over 40 years since then, the event has been widely supported as a place for connecting (TSUNAGU) suppliers and distributors. In 2023, 54,463 people visited the "Grand Fair," which was held at five locations across Japan with 180.24 billion yen in orders received. This year, the event will be held at six locations including Thailand, as I mentioned earlier, in addition to the five locations across Japan (Kanto, Tohoku, Chubu, Kyushu, and Kansai).

One feature of the Grand Fair is that it is an "integrated exhibition" covering everything in terms of manufacturing, home building, environment building, and town building. In Thailand, for instance, exhibitions are normally held for individual sectors and products. An exhibition such as the Grand Fair with multiple sectors ranging from machine tools to storage and kitchens in a single venue can be described as a truly unique experiment that leverages the YUASA TRADING



Group's total coordination skills.

Another feature is the theme zone.

The concept for the theme zone is "further into the future." It is a themed exhibition area bringing together the latest solutions for solving social issues with a focus on Digital and Green, including products created through TSUNAGU innovation.

Being located in the center of the Grand Fair venues, the area attracts the attention of many visitors. However, when we initially launched the theme zone initiative, some people said such a great location was too good to waste on an exhibit without knowing whether it would lead to results in the foreseeable future. Nevertheless, the "further into the future" solutions that we have continued to propose through the theme zone, including "labor-saving" and "carbon neutrality" solutions, are now reality, and are familiar issues for all companies. We have also received positive feedback from customers who visit and say they can get new ideas by going to the Grand Fair and some of the exhibiting manufacturers have also expressed the desire to have their products on display in the theme zone.

More than anything else, the employees who are responsible for providing on-site information and planning the

theme zone gain the most satisfaction from such feedback. Through the theme zone initiative, employees learn the value and importance of proposals that only the YUASA TRADING Group can make in terms of solving social issues rather than simply pursuing sales over the short term, and this approach is sure to be useful in their day-to-day work. We are happy the proposal of solutions that "only YUASA can provide," particularly the theme zone, has attracted the attention of manufacturers and visitors and is becoming one of the attractions of the Grand Fair. We will continue working to further enhance the value of this attraction.

Aggressively Implementing Growth Investment to Accelerate Growth Strategy and DX Promotion

Under the Medium-term Management Plan, we will allocate ¥21.2 billion to growth investment, which is equivalent to more than half of the operating cash flow we expect to earn over the three years from 2024 to 2026.

Of this amount, we have set an investment budget of ¥10 billion for promoting growth strategy. We will implement M&A, strengthen overseas promotions, and pursue product development through TSUNAGU innovation. In terms of the criteria for M&A, as stated in our growth strategy, we will consider M&A with a focus on "strengthening the functions and increasing the market share of core businesses" and "strengthening the speed of growth of new businesses," as well as "synergies with the YUASA TRADING Group's existing sites" overseas.

In addition, we plan to invest ¥11.2 billion in DX promotion, and have already executed an investment of approximately ¥5.0 billion by March 2024. The main purpose of this investment is the "construction of data use infrastructure" with the aim of transformation into a data-driven trading company. By visualizing sales activities that were based on individual skills in the past and sharing the information across divisions and sites, we will be able to provide sales proposals that take advantage of the YUASA TRADING Group's total coordination skills more quickly. We will continue to pursue transformation alongside the parallel development of DX and IT talent.

Message from the President

Emphasizing the Value Created Through TSUNAGU

The evolution of logistics, the spread of the internet, and other factors have brought about a major shift in the nature of single item business. These days, the required products can be ordered online and received immediately even in the B2B world. Nevertheless, these are the very times when we want to emphasize the value created by connecting manufacturers and customers leveraging our know-how, data, and networks.

I believe the precise role that we should play as a trading company is to provide better proposals in accordance with the actual site of application in response to an order for a particular product. For instance, we may propose that efficiency can actually be further improved with the latest technology or that some other product or service may also be needed.

For us to play this role, our sales staff visit actual factories and sites and conduct sales activities to understand what products are really needed and where the real needs of customers lie. There is also active communication in our offices across divisions in order to provide proposals that leverage our “total coordination skills.” At the same time as focusing on this kind of on-site and face-to-face communication, we have also been able to increase the efficiency of communication with more distant business partners and sites through the use of new solutions such as web conferencing.

Furthermore, in addition to paperless operations, we actively adopted solutions such as AI and robotic process automation (RPA) in pursuit of greater efficiency in sales administration and administrative department operations. As with DX promotion, we believe the main roles in business are played by people, and that utilization of the latest technology is needed to maximize value created by people. We will work to maximize value and efficiency by connecting the positives of people and digital technology.

Promoting Sustainability and Strengthening Governance

As part of sustainability promotion, we are aiming to achieve carbon neutrality across the YUASA TRADING Group as a whole by FY2030 to respond to climate change. In terms of specific initiatives, we have implemented measures for achieving carbon neutrality that include updating to energy-saving equipment and installing solar power generation facilities at the Chubu Branch Office, FUJI QUALITY HOUSE, and at the new company building in Thailand.

We are also promoting the Green Business company-wide to support our business partners in achieving carbon neutrality in order to reduce environmental impact throughout the supply chain. We will take advantage of our extensive product lineup, which is one of the YUASA TRADING Group’s strengths, to propose solutions that meet the needs of the market.

Furthermore, overseas, we hold seminars on carbon neutrality, including the use of the Joint Crediting Mechanism (JCM), and provide solutions for making energy-saving to local companies. There has already been success in introducing energy-saving equipment and solar power generation facilities, and we will continue to work with a sense of speed going forward.

Meanwhile, in the area of governance, we are working to strengthen the functions and ensure the independence of the Board of Directors.

As a body that oversees management, the roles of the Board of Directors are to discuss the direction of management and to provide appropriate advice and suggestions to the executive side. To this end, we will continue working to strengthen the functions of the Board of Directors through the appointment of independent Outside Directors with the belief that it is important to include a wide range of views from an independent perspective, in addition to the inside Directors who have in-depth understanding of the Company’s business and the business fields in which it operates.

At the 145th Ordinary General Meeting of Shareholders held in June 2024, shareholders approved the appointment of four independent Outside Directors again this year. To

incorporate diverse perspectives into the Board of Directors in appointing the Outside Directors, we requested two men and two women who we deemed to be qualified to serve in the position. They were selected regardless of age and gender from among people with a wide range of backgrounds and knowledge, including experienced corporate managers, sustainability experts, and legal professionals.

In addition, as a company with an Audit & Supervisory Board, we have established the board that consists of four members, including two independent Outside Audit & Supervisory Board Members, to strictly monitor the execution of duties by the Directors. Going forward, we will continue to promote initiatives aimed at strengthening governance.

Shareholder Return Policy

The YUASA TRADING Group has positioned the stable return of profits to shareholders as one of its key management policies.

During the Growing Together 2026 Medium-term Management Plan (FYE March 2024 to FYE March 2026), we will provide returns in line with targets of 33% or more for the total payout ratio and 3.5% or more for dividend on equity (DOE). For the fiscal year ending March 31, 2025, we plan to pay an interim dividend of 72 yen per share and year-end dividend of 118 yen per share, making a total dividend of 190 yen per share. This will be the fourth year in a row that we have increased the dividend. Going forward, in addition to achieving consistent shareholder returns, we will continue striving to enhance both financial and non-financial corporate value.

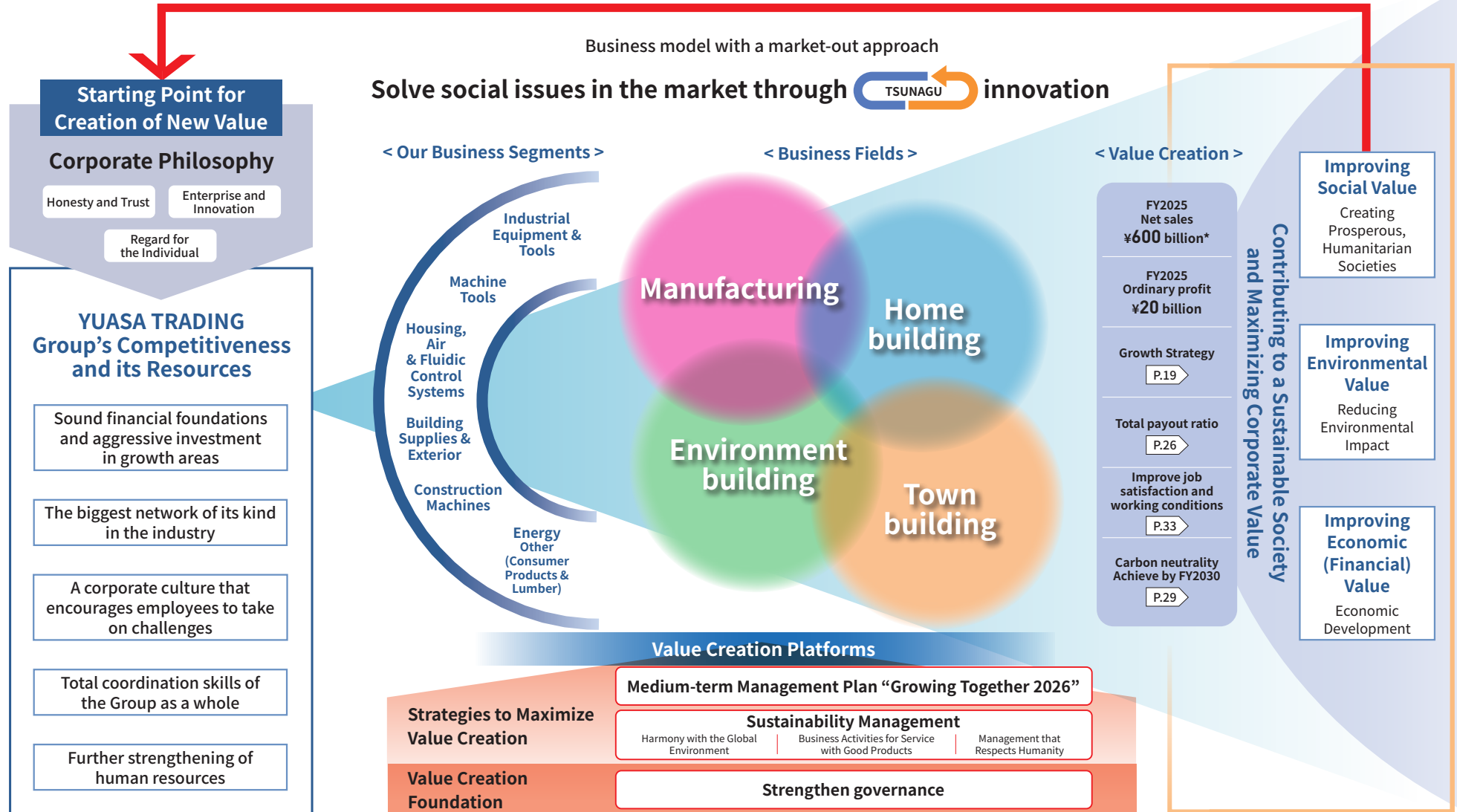
We will continue seeking to maximize both financial and non-financial corporate value not only by achieving the numeric targets set out in YUASA VISION 360 and Growing Together 2026 for the fiscal year ending March 2026, which are consolidated net sales of ¥600 billion* and consolidated ordinary profit of ¥20 billion, but also through business transformation driven by corporate culture reform, DX promotion, and sustainability promotion.

We look forward to your continued support for the YUASA TRADING Group.

* Figures for net sales are before the application of the revenue recognition standard

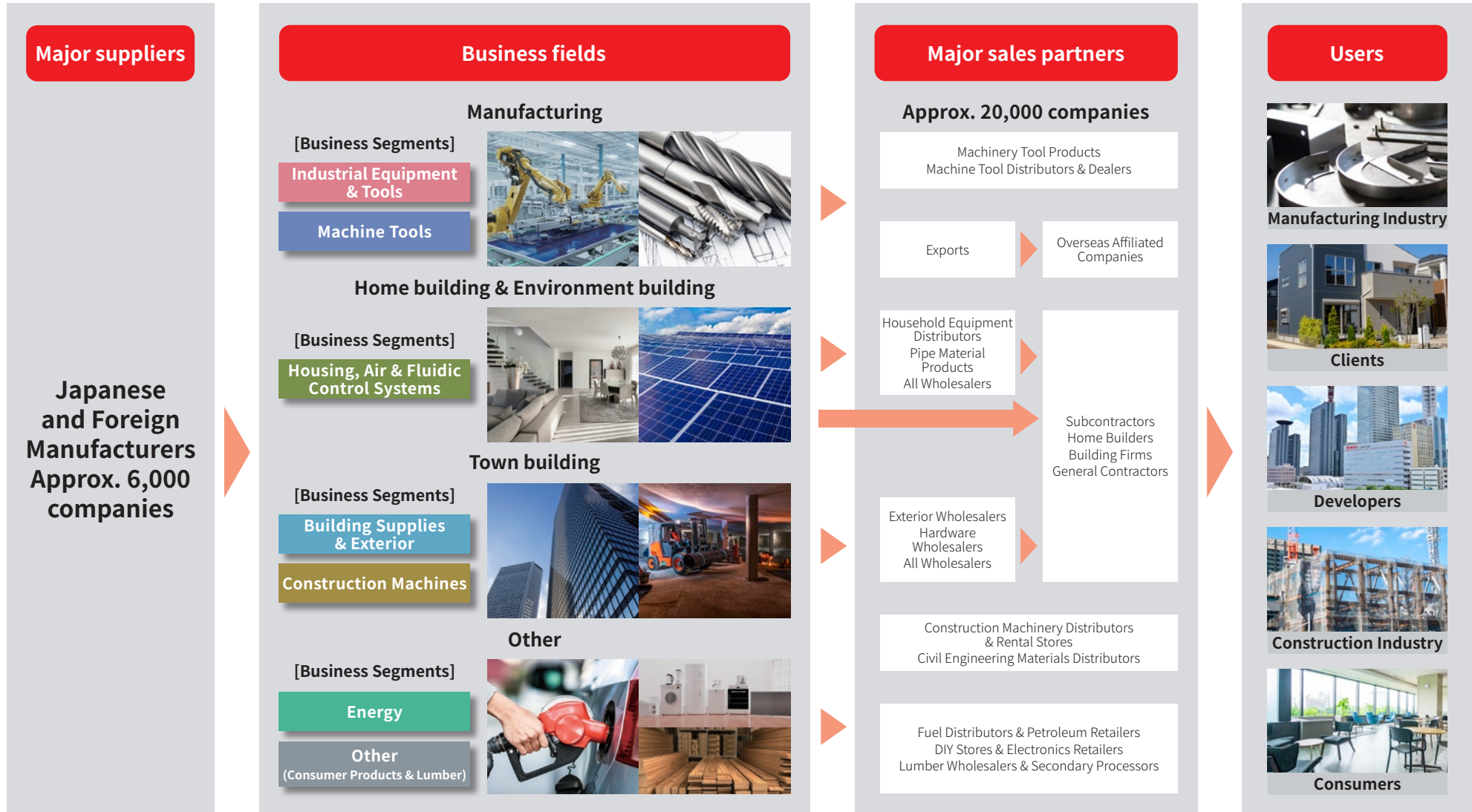
Value Creation Process

We are aiming to improve corporate value both in terms of economic (financial) value and social and environmental value through TSUNAGU innovation.



* Before revenue recognition

YUASA TRADING Group's Main Business Fields



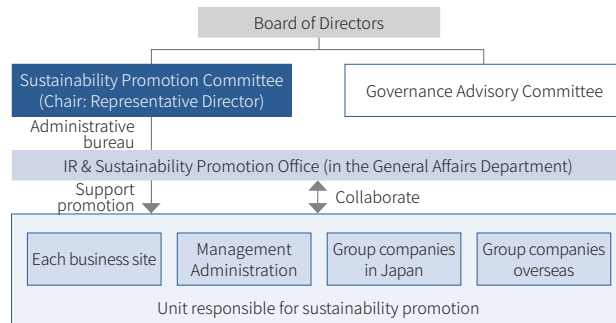
Promoting Sustainability Management and Materiality

We will actively contribute to the establishment of a sustainable society through our business activities

Governance

The Group has established the Sustainability Promotion Committee chaired by the Representative Director. The committee deliberates on the overall risks, opportunities, and impacts of sustainability, including climate change, periodically reviews the policy for countermeasures to reduce risks, and advises the Board of Directors. The Board of Directors discusses these issues as important matters related to business strategy and sustainability and determines policy.

Sustainability Management Promotion System



Risk Management

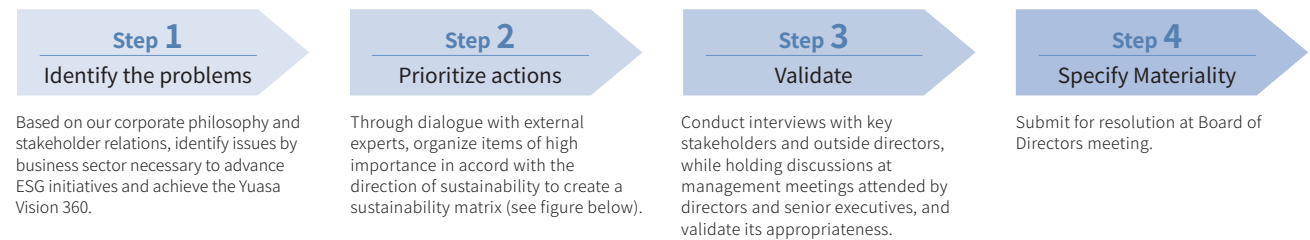
With regard to overall risk management for sustainability, including climate change, the Risk Management Supervisory Manager, each of the committees (Ethics and Compliance Committee, Internal Control Committee, Environmental and Resilience Committee, etc.), and the Sustainability Promotion Committee collaborate to identify, assess, and manage risks. We also manage risks across the Group based on relevant internal rules and notices, including the identification of various risks in the Group's business activities, collection of information, planning of preventive measures, and the provision of training.

Strategy (Materiality)

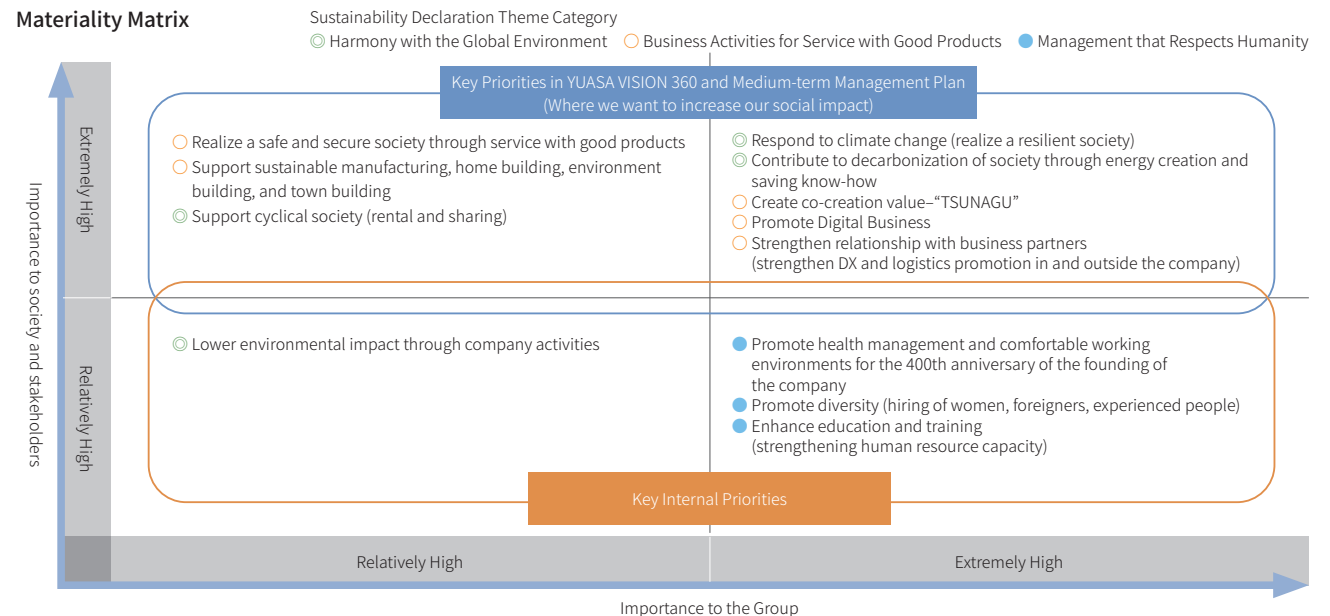
Specific Materiality Process

Sustainability as a solution to society's problems is a goal of YUASA VISION 360, and we have formed a team with outside experts who have identified the following steps.

We will continue to revise them as appropriate in response to changes in the external and internal environment.


















Materiality Matrix



Promoting Sustainability Management and Materiality

Strategy (Risks & Opportunities), Indicators and Targets

Sustainability Declaration	Risks and Opportunities	Materiality	Non-financial KPIs	Relevant Main Initiatives
Harmony with the Global Environment	Risks <ul style="list-style-type: none"> ● Cost increases due to soaring prices of raw materials, etc. and rising energy prices due to decarbonization ● Disruption of the supply chain and the Group due to large-scale natural disasters ● Decline in external reputation and loss of competitiveness in the supply chain due to delays responding to climate change and inadequate communication Opportunities <ul style="list-style-type: none"> ● Increased demand for green commercial products associated with decarbonization ● Improve long-term competitiveness by responding agilely to market needs, such as climate change resilience products, and products related to recycling of resources 	 Respond to climate change (realize a resilient society)	Environment The Group's CO ₂ emissions (Scopes 1, 2) Target for FY2025 30% reduction (compared with the fiscal year ended March 31, 2023) Target for FY2030 Carbon neutrality	<ul style="list-style-type: none"> ● Green business initiatives P.31 ● Initiatives to Target Resilience P.31 ● Respond to climate change P.28 
		 Contribute to decarbonization of society through energy creation and saving know-how		
		 Support cyclical society (rental and sharing)		
		 Lower environmental impact through company activities		
Business Activities for Service with Good Products	Risks <ul style="list-style-type: none"> ● Manpower shortages causing reduced production capacity due to a decline in the working population ● Decline in competitiveness due to an inadequate response to digital technology ● Decline in credit worthiness due to product and service quality issues Opportunities <ul style="list-style-type: none"> ● Create new business opportunities by promoting business solutions to social problems ● Obtain customer satisfaction through high value-added products and services, such as integration of existing products with AI technology ● Create business opportunities and secure revenue base by building strong relationships with trading partners 	 Realize a safe and secure society through service with good products	Talent cultivation (Subject: YUASA TRADING CO., LTD; non-consolidated) Target for FY2025 Digital talent cultivation (successful candidates from our original program) IT talent: 600 people DX talent: 40 people	<ul style="list-style-type: none"> ● Increasing profitability and growth P.18 ● Business partner network development P.24 ● DX Promotion P.27 
		 Support sustainable manufacturing, home building, environment building, and town building		
		 Create co-creation value-“TSUNAGU”		
		 Promote Digital Business		
		 Strengthen relationship with business partners (strengthen DX and logistics promotion in and outside the company)		
Management that Respects Humanity	Risks <ul style="list-style-type: none"> ● Decline in company's reputation due to human rights issues or unsuitable working conditions ● Decreased productivity, loss of talented personnel, and lack of psychological safety due to employees' overall poor health and difficulty working ● Homogenized thinking, decreased innovation due to lack of diversity Opportunities <ul style="list-style-type: none"> ● Increase productivity, secure talented personnel and ensure psychological safety by maintaining employees' overall health and making their working life easier ● Diversify thinking by making us a richly diverse organization ● Increase productivity, create innovation, and enhance competitiveness by improving employees' skills and abilities 	 Promote health management and comfortable working environments for the 400th anniversary of the founding of the company	Diversity (Subject: YUASA TRADING CO., LTD; non-consolidated) Target for FY2025 Percentage of female managers: 3.0% Percentage of female employees in comprehensive work position: 6.0% Percentage of employed females in comprehensive work position: 12.0% Percentage of male employee taking childcare leave and leave for the purpose of childcare: 100.0% Percentage of taking paid leave: 70.0% Average hours of labor: 1,920 hours Managerial talent cultivation: total 370 (number of training program participants)	<ul style="list-style-type: none"> ● Human resources strategy (corporate culture reform) P.32 ● Diversity P.35 ● Respect for human rights P.37 
		 Promote diversity (hiring of women, foreigners, experienced people)		
		 Enhance education and training (strengthening human resource capacity)		

Strategies to Maximize Value Creation

In a volatile economic climate, simply providing products or services is no longer enough to ensure a company's permanent growth.

We also need a strategy geared toward generating and maximizing new value for clients and markets.

In our long-term vision YUASA VISION 360 and the medium-term management plan "Growing Together 2026," the YUASA TRADING Group utilizes our know-how and strengths cultivated through TSUNAGU innovation, linking products and services in the fields of manufacturing, home building, environment building and town building, for sustainable growth through new value creation.

Overview of the Medium-term Management Plan “Growing Together 2026”

Medium-term Management Plan “Growing Together 2026”

Basic Policy

In the fields of manufacturing, home building, environment building and town building, we will work with our business partners to solve social issues through TSUNAGU innovation to create new markets and increase corporate value, and expand domestically and internationally.

Recognition of Issues

Ongoing Issues from the Previous Medium-term Management Plan

- Improving the profitability of existing businesses
- Further promoting growth strategies
- Identifying things that should be changed and things that should not be changed, and implement measures accordingly
- Strengthening Group-wide initiatives for “Total Coordination Skills,” “Challenging Spirit” and “Communication”
- Building a system that can accumulate and utilize data for strategic planning and cultivation of DX talent
- Promoting sustainability management

Business Transformation to a “Market-Out” Approach

- Improve profitability by promoting “TSUNAGU” solution proposals that solve social issues
- Create new markets and promote growth strategies
- Market creation and deployment through existing trading networks
- Strengthen the management foundation, reform the corporate culture, and promote sustainability to realize transformation

Priority Measures

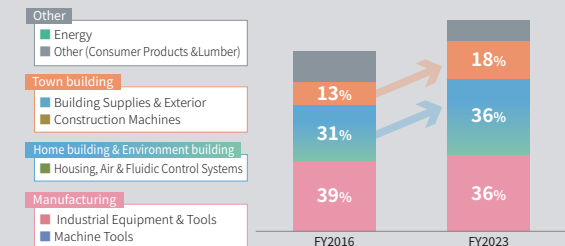
Business Transformation	Toward a Highly Profitable Business Model Through “TSUNAGU” innovation, we will work together with our business partners to solve social issues and form highly profitable businesses.
	Deployment of Growth Strategy For the fiscal year ending March 31, 2026, we will increase the share of sales in growth strategy areas to approximately 48%.
	Domestic and Overseas Market Expansion We will expand new and growing markets created through “TSUNAGU” innovation by further developing our network of business partners both in Japan and overseas.
Strengthening Management Foundations	Corporate Culture Reform We will foster a corporate culture that has normalized “TSUNAGU” innovation through the means of personnel reforms, environment-building, and strengthened governance.
	DX Promotion To promote business transformation, we will build a data utilization infrastructure, foster DX talent cultivation, reform business processes, and create innovation.
	Sustainability Promotion In line with our Sustainability Declaration, we will contribute to a sustainable society both in terms of our Group and our businesses.

Strengthening Our Business Portfolio through Our Long-term YUASA VISION 360

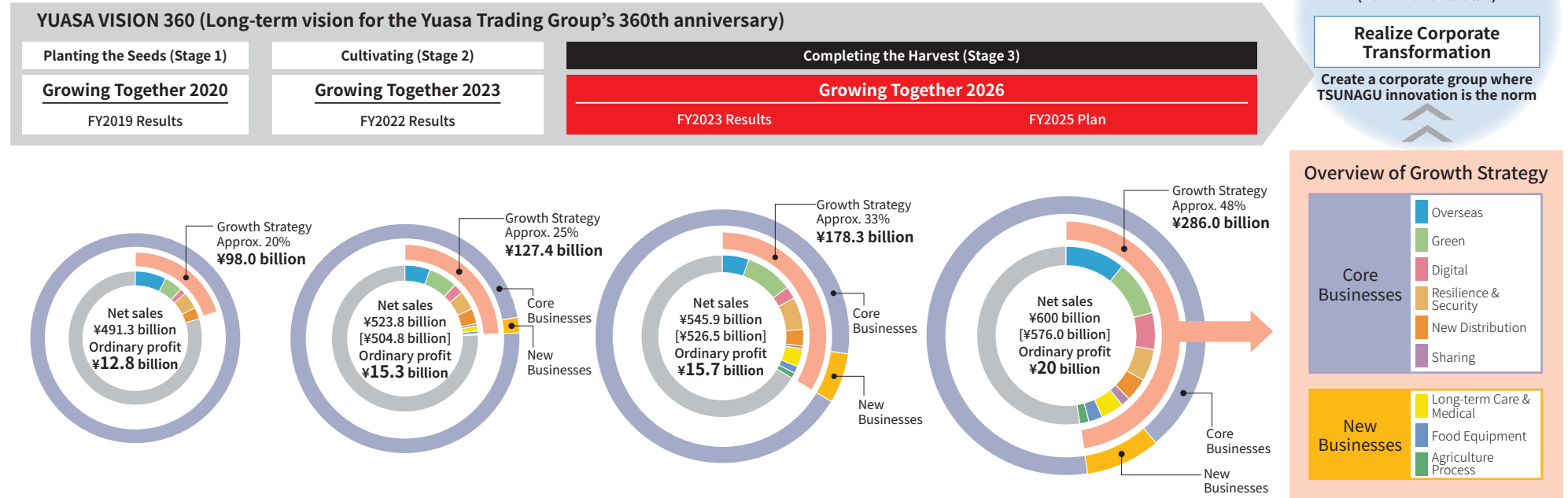
One major change in our long-term YUASA VISION 360, for the 9 years since 2017 ending in 2026 on the 360th anniversary of our founding, is to strengthen our business portfolio.

Up till now, the Group has placed great weight on manufacturing, with performance affected by trends in machinery orders and other factors. However, our growth strategies have helped us expand each of the home building, environment building, and town building segments, leading to a strengthened business portfolio that demonstrates our collective strength as a Group. Through promotion of our growth strategy, we will continue to transform our business model to make it less susceptible to trends in specific segments, countries, regions, and the economy.

Trends by Business Field (2017 to 2024)



Overview of the Medium-term Management Plan “Growing Together 2026”



Financial KPIs

Item	FY2023 Results	FY2025 Plan
Net sales*1	¥526.5 billion	¥576.0 billion
Operating profit	¥14.7 billion	¥19.0 billion
Ordinary profit	¥15.7 billion	¥20 billion
Ordinary profit to net sales ratio	2.99%	3.4%
Adjusted net income before tax	¥11.8 billion	¥13.2 billion
Return on equity (ROE)	12.0%	11.8%
Total payout ratio	34.9%	At least 33%
Dividend on equity (DOE)	4.1%	At least 3.5%

*1 Net sales after revenue recognition.

Non-financial KPIs*2

Item	FY2023 Results	FY2025 Plan
CO ₂ emissions (Scope 1 & 2)	6,335 t-CO ₂	30% reduction (compared with FY2022)
Percentage of female managers	2.0%	3.0%
Percentage of female employees in comprehensive work position	4.0%	6.0%
Percentage of employed females in comprehensive work position	6.5%	12.0%
Percentage of male employee taking childcare leave and leave for the purpose of childcare	72.5%	100.0%
Percentage of taking paid leave	67.8%	70.0%
Average hours of labor	1,934 hours	1,920 hours
Managerial talent cultivation (number of training program participants: total)	280 persons	370 persons
Digital talent cultivation (successful candidates from our original program)	IT talent*3: 109 persons	IT talent: 600 persons DX talent*4: 40 persons

*2 Of the non-financial KPIs, all indicators except CO₂ emissions are for YUASA TRADING (non-consolidated).

*3 Personnel who can utilize IT tools and digital technologies in their own work and carry out digital measures.

*4 Personnel who utilize the results of data analysis and formulate and promote new plans based on specialized knowledge of marketing and management strategies.

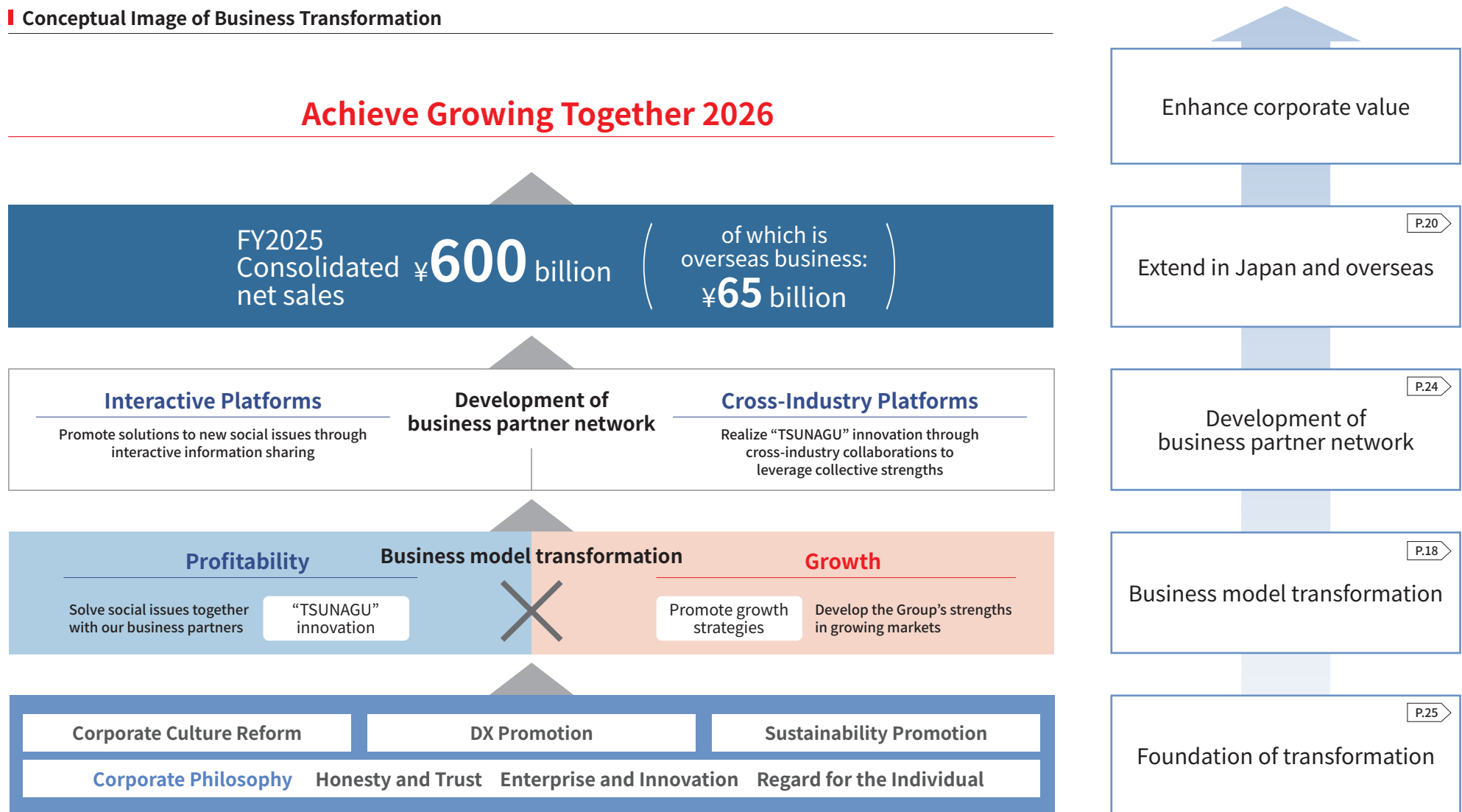
* Net sales figures in brackets are after revenue recognition.

Overview of Business Transformation

The Group will expand existing business and implement growth strategies domestically and internationally by transforming business models and developing existing business partner networks.

Conceptual Image of Business Transformation

Achieve Growing Together 2026



Messages from the Headquarters General Managers

Business strategy for realizing business transformation

Industrial Market Headquarters

(Industrial Equipment & Tools
Division and Machine Tools Division)



Mamoru Hamayasu

Managing Director
Chief General Manager of Industrial
Market Headquarters

As Is

The Industrial Market Headquarters contributes to manufacturing in Japan and around the world through sales of machine tools and factory equipment, implements, mechanical equipment and materials, control and logistics equipment.

While the fiscal year ending March 2024 saw us progress our efforts to expand into new markets related to semiconductors in robotics, it was a tough year domestically with a downturn in machine tool orders and overall market segmentation seeing an increase in sales but lower profit compared with the same period last year.

To Be

In our natural role as a machinery trading company, YUASA will leverage the Group's collective strengths to drive on-site digital transformation (DX) including IoT and local 5G for addressing labor shortages, and energy-saving proposals.

In particular, as awareness of carbon neutral permeates not only large corporations but also small to medium sized companies and factories too, we will promote our "solutions to social issues" with unique products that contribute to high-efficiency and long-life machinery, as well as to saving energy.

Living Environment Market Headquarters

(Housing, Air & Fluidic Control Systems
Division and Consumer Products Division)



Maresuke Takeo

Director
Chief General Manager of Living
Environment Market Headquarters

The Living Environment Market Headquarters offers capital improvements through sales of equipment covering a wide range of markets from general housing to building installations and plant equipment, such as housing equipment, plumbing products, air conditioning equipment, and other core products.

In the fiscal year ending March 31, 2024, both sales and profit increased due to our efforts in proposing systems with green energy subsidies aimed at becoming carbon neutral, amidst a backdrop of soaring electricity and other energy prices.

We will continue to propose equipment improvement solutions involving subsidies in energy creation, green energy, high efficiency machinery etc. to promote carbon neutrality among our business partners. In addition, we'll further expand our engineering functions, such as air conditioning refurbishments and automatic valve assembly, to save on and reduce labor through shorter work periods and improved operations, to solve worker shortage problems caused by reformed work practices in the construction industry.

Construction Market Headquarters

(Building Supplies & Exterior Division,
Construction Machines Division,
Energy Division, and Lumber Division)



Takaomi Omura

Director
Chief General Manager of
Construction Market Headquarters

Construction Market Headquarters comprises the Building Supplies & Exterior Division which provides building materials, landscape and civil engineering materials, and the Construction Machines Division, which provides industrial rental materials and small-scale construction equipment.

Amid major changes in the construction sites led by the "2024 problem", the segment as a whole had increased revenue but lower profits compared with the same period last year as we were significantly affected by prolonged construction works and reduced new construction projects due to labor shortages and dramatic cost increases.

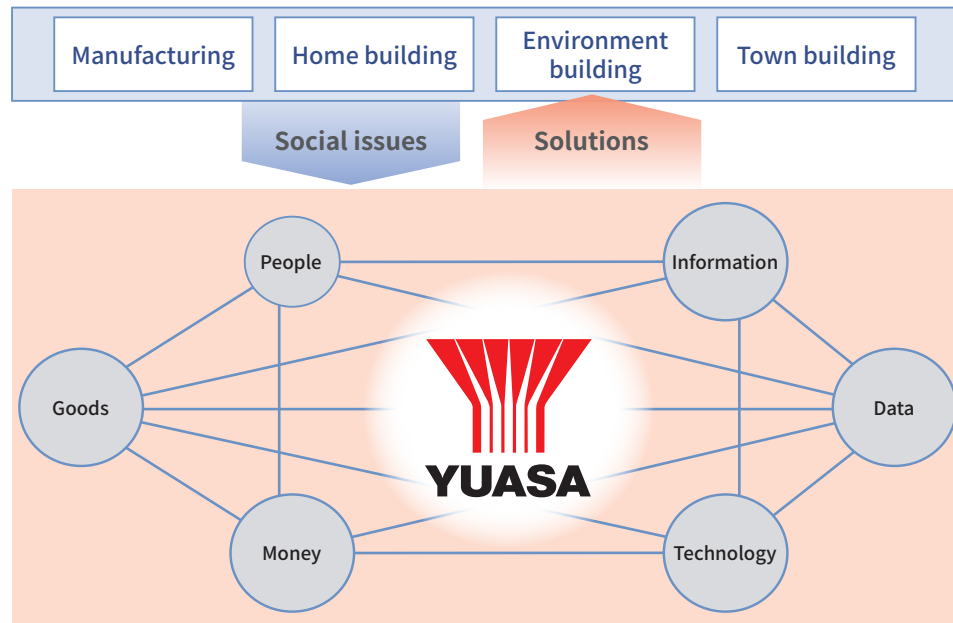
As well as strengthening our existing business, we will also uncover new fields where we can utilize this headquarters' functions and networks under the theme of "solving social issues", and enhance business stability by building a diversified market. The head office will create its own unique value with development proposals across divisions and group companies to strengthen resilience areas such as BCP and medical support in natural disasters, to improve work environments through the pursuit of on-site comfort, and to create spaces for livable towns and cities.

Improving Profitability and Growth

Toward a Highly Profitable Business Model

We are creating a high value-added business model that accurately grasps market needs with a market-out approach and also connects information, data, and technologies in addition to the conventional aspects of people, goods, and money. We aim to improve profitability by positioning this market-out business model as TSUNAGU innovation and promoting it throughout the Group.

TSUNAGU Innovation Model

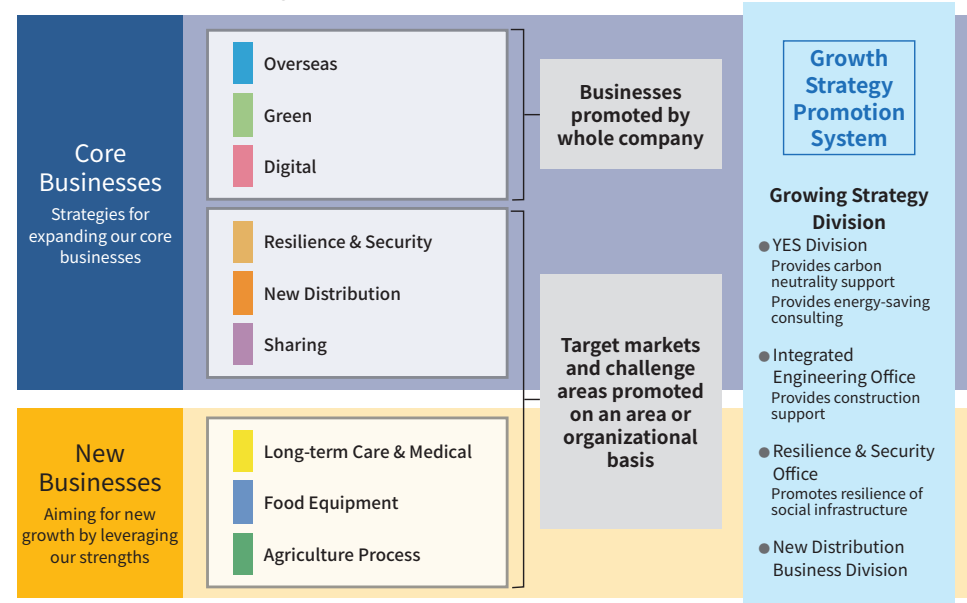


- By connecting (TSUNAGU) various things such as people, goods, money, information, data, and technology, solve social issues and expand both “single item business” and “integrated product-service” businesses
- Establish a business model with a market-out approach
- Maximize synergies among divisions and group companies to create new value
- Take on the challenge of subscription and sharing services

Accelerate Growth through Expansion of Core Businesses and Expansion into New Markets

Our growth strategy aims to further increase company-wide sales leveraging the strengths the YUASA TRADING Group has cultivated in existing businesses. The strategy comprises six businesses where we will seek to further increase the sales of core businesses and three businesses where we will expand our strengths into new markets. Moreover, we will work to promote business with a greater awareness of speed by dividing these businesses into “businesses promoted by whole company” and “target markets and challenge areas promoted on an area or organizational basis.” Led by the Growing Strategy Division, which engages in promotion of the growth strategy across divisions, we will work to solve social issues in the market through TSUNAGU innovation, demonstrating the total coordination skills of the YUASA TRADING Group.

Overview of Growth Strategy



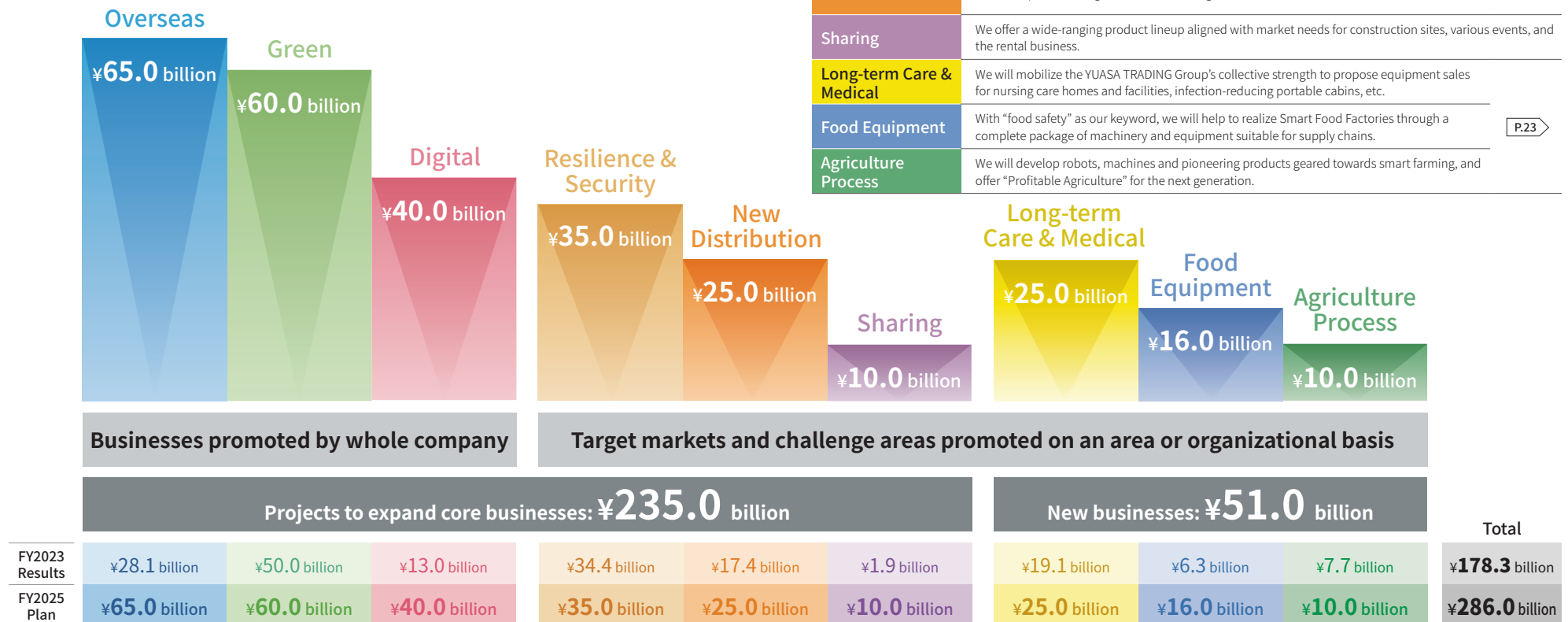
- YES Division
Provides carbon neutrality support
Provides energy-saving consulting
- Integrated Engineering Office
Provides construction support
- Resilience & Security Office
Promotes resilience of social infrastructure
- New Distribution Business Division

Growth Strategy

Promoting Growth Strategy

Under Growing Together 2026, we will implement measures in each business with a target to increase the ratio of growth strategy areas in net sales to approximately 48% by FY2025.

Achievements for the fiscal year ending March, 2024 and plans for the fiscal year ending March, 2026



9 Growth Strategies

Overseas	We will laterally develop our product procurement and engineering functionality in Japan, while targeting South Asia with Thailand positioned as a model location to demonstrate our integration capability.	P.20
Green	Provides customers with support for carbon neutrality through one-stop solutions.	P.31
Digital	We will utilize cutting-edge AI/IoT and robotics technology to propose automated, labor and workload saving solutions across the entire business domain.	P.21
Resilience & Security	We will promote safe and secure manufacturing, living and urban development while highlighting disaster preparedness, disaster relief and business continuity.	P.31
New Distribution	We will expand our original EC site "Growing Navi" for B2B transactions.	
Sharing	We offer a wide-ranging product lineup aligned with market needs for construction sites, various events, and the rental business.	
Long-term Care & Medical	We will mobilize the YUASA TRADING Group's collective strength to propose equipment sales for nursing care homes and facilities, infection-reducing portable cabins, etc.	
Food Equipment	With "food safety" as our keyword, we will help to realize Smart Food Factories through a complete package of machinery and equipment suitable for supply chains.	P.23
Agriculture Process	We will develop robots, machines and pioneering products geared towards smart farming, and offer "Profitable Agriculture" for the next generation.	

Feature

1

Strengthening Overseas Strategy for South Asia

Brings products and solutions developed in Japan to overseas markets and provides new value.

Strengthened Expansion Targeting Thailand and India

In promoting our overseas strategy, we will focus efforts on Thailand, which has high market potential as an industrial cluster in the Southeast Asia region, and India, which is expected to see significant growth as its population increases. We'll progress with establishing new overseas promotions, strengthening and integrating base functions and reinforcing our local capital network.

Preparations for the First Overseas Grand Fair

We will hold the YUASA Grand Fair in THAILAND over 3 days from February 5 to February 7, 2025. The venue is BITEC (Bangkok International Trade and Exhibition Center), which is a general exhibition hall within the city of Bangkok, and it will be the first time we have held a Grand Fair overseas.

Exhibitions by industry or product are common in Thailand and other countries, and holding an all-in-one multiple sector exhibition, like the Grand Fair, is a groundbreaking initiative.



The venue, Bangkok International Trade and Exhibition Center (BITEC)

The YUASA Grand Fair in THAILAND is an opportunity to strengthen the appeal of the YUASA TRADING Group's solutions for social issues overseas through exhibits featuring a variety of solutions in all business fields: manufacturing, home building, environment building, and town building. We plan to use it as an example of best practice for expanding into India and other countries, and establish new overseas promotions in our company.

We are already preparing to maximize results in the local market, such as by posting transit advertising and reinforcing our CM/SNS media promotions to attract more customers.

Integrated Bases in Thailand and India



New company premises in Thailand to be completed in 2024

We are strengthening our base functions to leverage our collective strengths and expand business. A new office building (see photo above), which will integrate the bases of two subsidiaries, is scheduled to be completed in the Baan Na district in southern Thailand by the end of 2024. In addition to serving as an office, the entire building functions as a showroom where visitors can see the various solutions handled by the company first-hand.

We plan to increase the number of our sites in India

from the current two (Gurgaon and Bengaluru) to four to strengthen the local sales structure.

Strengthening the Local Capital Network



At HENKO Group Singapore Head Office

In April 2024, we acquired the shares of HENKO Group, a machine tool sales corporation with six companies and seven sites in three countries (Malaysia, Singapore, and Thailand), to make it a member of the YUASA TRADING Group.

Until now, our overseas business has mainly been sales to local subsidiaries of Japanese companies, and the range of products we handle has been limited. In the future, the company will use its extensive network in South Asia to develop a variety of products and services not only in manufacturing but also in home building, environment building and town building, thereby strengthening its overseas business.

In addition, we will continue to invest in growth, including strengthening our local capital network through M&A in order to reinforce our overseas business. In selecting investment targets, we will consider as standard whether they meet the objectives of our growth strategy, such as synergies with our local sites and network expansion in our focus regions.

Feature

2

Developing a Revolutionary Automated Freight Picking System

We solve various logistics issues using “TSUNAGU” solutions, created with our partners.



Tomoharu Kobayashi

YUASA TRADING CO., LTD.
Logistics Strategy Section,
Corporate Planning Dept.

Mr. Tomonori Nishimura

Phoxter Co., Ltd.
Director
Head of Transport Solutions Division

Mr. Yuto Yokota

PLUS Logistics Corp.
Logistics Operations Division

Our logistics facilities serve as product storage and delivery bases, where major issues are labor and manpower-saving for warehousing and picking operations (taking products off the shelves in accordance with shipping orders), which are particularly labor- and time-intensive, and securing storage space in response to increased distribution volumes and variety of products.

The “Twin Pick” automatic transfer system for picking is a unique system that simultaneously controls two different types of robots, a “high-level shelf container automatic transfer robot” and a “low-level shelf automatic transfer robot,” for which we have obtained a utility model patent. With our ATS (automated transportation system), that does not require conveyor line assembly, we achieve a significant improvement in storage efficiency through narrow space compatibility, labor savings, and effective use of ceiling height. Here we held discussions with Phoxter Co., Ltd., the developers of the Twin Pick, Plus Logistics Corp., and YUASA TRADING CO., LTD., who talked about the development process and future logistics possibilities.

Simultaneous control of two high- and low-level types of robots



Carton box transportation robot



Retractable-type robot

“Twin Pick” Presentation Video

<https://www.youtube.com/watch?v=033N7ut70TY>



*1 Abbreviation of Third-Party Logistics A form of logistics in which logistics operations, such as warehouse inventory management and transportation, are outsourced to companies with specialized know-how.

Innovative “Two-type Robotic Simultaneous Operation”

■ **Kobayashi (YUASA TRADING):** At the company, we own seven distribution warehouses around the country, including Kanto Distribution Center (Kashiwa City, Chiba) where Twin Pick has been introduced. Although our warehouse workers do the actual product picking, we anticipate future difficulties in securing personnel. To combat this, we decided to consult with Plus Logistics, which operates our warehouses as a 3PL*¹, to see what kind of automated solutions it would be possible to introduce.

■ **Mr. Yokota (Plus Logistics):** When we were approached, we were totally in the dark regarding this. Although automated transport options, such as robotic arms, etc. exist, we needed to find something suitable for the wide range of products, from large to small with complicated commercial materials, that are handled at YUASA TRADING warehouses. That’s when I saw Phoxter’s booth at the International Logistics Expo and had a chat with them.

■ **Mr. Nishimura (Phoxter):** While each robot has its own characteristics, benefits and disadvantages, we had never considered combining their operational features. However, we thought that combining two robots would best suit YUASA TRADING’s operational needs, and so I first came up with a rough proposal.

■ **Mr. Yokota (Plus Logistics):** On seeing such a unique solution, I thought it would be perfect for YUASA TRADING warehouses, so we hashed out details and proposed the current format.

■ **Mr. Nishimura (Phoxter):** However, as it’s hard for the manufacturer to devise a system that combines both robots’ best features, our engineers write the programs that run things behind the scenes. I think there will be more ideas in the future for linking multiple robots, but I can’t see them in operation anywhere else at the moment, because as far as I know, this is the first example of combining a low-level shelf automatic transfer robot with a high-level shelf container automatic transfer robot at a GTP*².

Feature 2 Developing a Revolutionary Automated Freight Picking System

■ **Kobayashi (YUASA TRADING):** It's been just over one year since this project got underway, but the materials stored at warehouses tend to change over the course of a year. They provided us with a solution that can deal with numerous changes.

■ **Mr. Nishimura (Phoxter):** Material handling machines have often been installed to make warehouse distribution more efficient, but this makes future expansion or downsizing difficult. The advantage of this way is that we can start small yet have the flexibility to add robots and shelves later, or split them between different areas of the warehouse.

*2 An abbreviation of Goods to Person. A more efficient method of picking where a transport robot brings products to the worker, eliminating the need for them to walk to find the product.

Building Automation While Keeping the Warehouse in Operation

■ **Mr. Yokota (Plus Logistics):** The premise of this project was to keep the warehouse running. Since we were to continue operations while installing the robots, first we considered the final layout and then step by step, we set up and scheduled the construction work accordingly.

■ **Mr. Nishimura (Phoxter):** In most cases, new robots are usually installed at the time of a new warehouse construction or relocation. However, many clients don't want to stop production or incur excess fixed expenses by renting another warehouse, so I think it's really important to have the know-how to install them in this way without pausing warehouse operations.

■ **Kobayashi (YUASA TRADING):** The operation was possible because we treated it like a jigsaw puzzle, moving products alternately, dismantling empty shelves and bringing suitable products to those shelves.

A Logistics Future Transformed by Automated Systems

■ **Mr. Nishimura (Phoxter):** As warehouse distribution up till now has been run by humans, they had to be sited where people could gather easily. If the introduction of robots means warehouses only need a small number of people to operate, then I think we'll see a diversity of locations as part of logistics strategy.

■ **Kobayashi (YUASA TRADING):** With robots' introduction, we'll see advancements in logistics DX, so to speak, which analyzes and streamlines tasks based on data such as "what products move seasonally", "how much can picking times be shortened based on time/location from receiving to shipping".

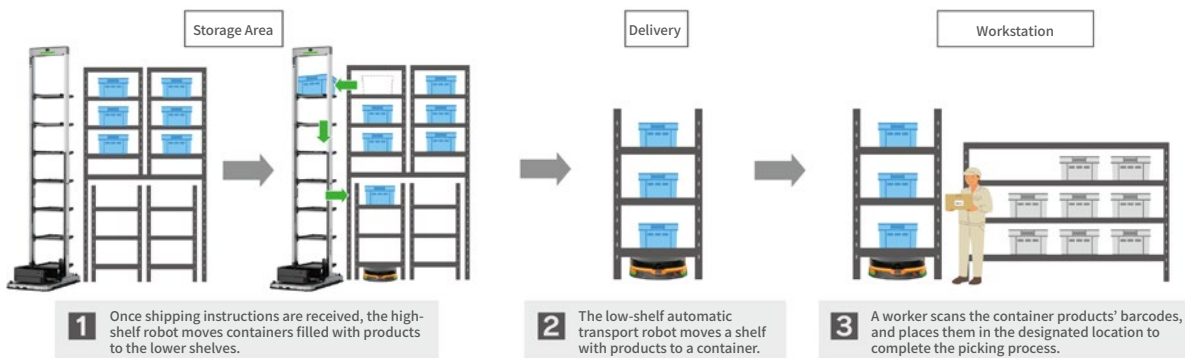
■ **Mr. Nishimura (Phoxter):** This time, workers at YUASA TRADING and Plus Logistics reviewed everything from the high-level software to create the system from scratch, which I think is very advanced.

■ **Kobayashi (YUASA TRADING):** Whatever facilities we introduce in the future, we'll need to customize each product as a "one of a kind" for each customer. Plus Logistics has that know-how, and Phoxter has the know-how and technology for customizing and engineering. I very much want all three companies to work together and contribute to society through our proposals to rationalize logistics for our customers.

How "Twin Pick" Works

The high-shelf container robot links with the low-shelf robot to deliver product-filled shipping containers to workstations, while following the system's shipping instructions.

First case example in Japan / Acquisition of a UMP (Utility Model Patent)



Effectiveness of the "Twin Pick" Method

Example of a distribution warehouse handling 50,000 items in a 1,500m² space.

Products inspected on arrival, and immediately placed in storage	Shorter loading times (1 pallet from 40 minutes to 10 minutes ^{*3}) Resource savings with no need for paper labels Greatly improved storage efficiency (Can store to a max height of 8 m) No need for large-scale line assemblies (1/3 of the cost of conventional automated warehouses) Decrease in workers' average walking From 30000 steps to 1000 steps (per person per day) Large-scale labor and training cost reductions
Installation of High-Shelf Container Transport Robots	
Delivery of products from High-shelf Container Robots to Low-shelf Transport Robots	
Order picking in one place	

*3 Example of pallet containing cutting tools and other small instruments

Feature 3

Expanding into New Markets (Long-term Care & Medical/Food Equipment/Agriculture Process)

We aim to develop the core business strengths we have cultivated in growth markets and turn them into new primary sources of revenue for the future.

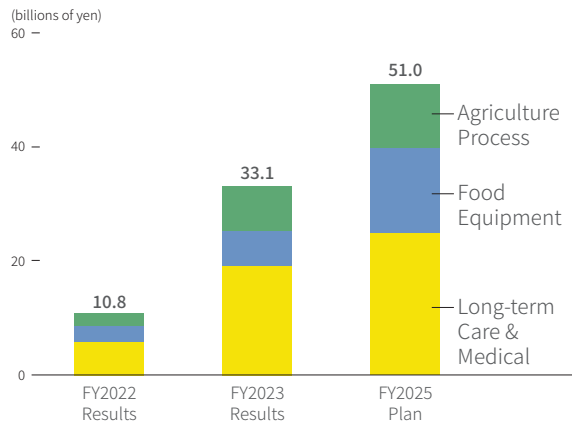
Outcomes from Promotion of Our New Business Strategy

As part of our growth strategy, we aim to develop and expand the core business strengths we have cultivated to date in “Long-term Care & Medical,” “Food Equipment,” and “Agriculture Process” into new markets, and position them as our New Business Strategies.

These industry sectors are indispensable to peoples’ lives and are not easily affected by economic trends, so we believe that this strategy will contribute to the stability of the Group’s business. In the fiscal year ending March 31, 2026, we are targeting sales of 51.0 billion yen, equivalent to nearly 10% of our company-wide sales target (576.0 billion yen), from these three strategies combined.

The actual amount for the fiscal year ended March 31, 2024 was 33.1 billion yen, more than tripling from the 10.8 billion yen recorded in the fiscal year ended March 31, 2023. We aim to make this a new primary source of revenue for our group by developing new products and services through “TSUNAGU” innovation, and by proposing personnel, labor-saving, and carbon-neutral solutions for nursing care and medical facilities, food factories, and agricultural facilities.

Progress in Our New Business Strategy Sectors



Topics Status of Our Main Initiatives

Long-term Care & Medical: Solutions to on the ground social issues

In addition to providing one-stop carbon neutral support ranging from energy-saving assessments to the installation of high-efficiency air conditioning and LED lighting, we are also promoting the installation of equipment and devices for use in nursing care and medical facilities, such as care home beds and clean partitions.

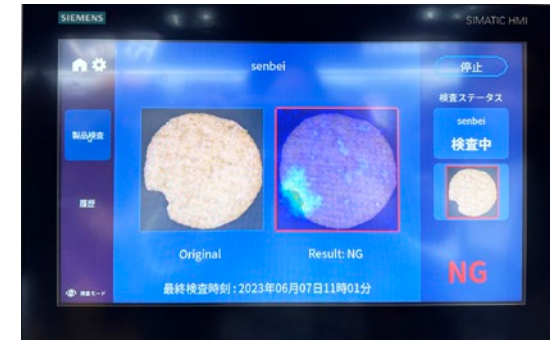


Installation of LED lighting in medical facilities

Food Equipment: Manpower reduction and ensuring food safety through the use of AI and robots

In the food sector, we are promoting the use of AI and robots to address labor shortages, as well as initiatives to ensure food safety.

We’ve developed the “F[ai]ND OUT” series by linking the AI technology of the Group’s connectome. design (equity affiliate) to automate quality inspections that previously relied on the human eye. We’ve already deployed foreign matter inspection devices for beverages and liquid seasonings, and visual inspection devices that can be automated to learn how to check for broken or cracked solid products, such as rice crackers. We displayed our unique solutions at FOOMA JAPAN, one of the world’s largest food manufacturing trade exhibitions, and received many trade inquiries.



“F[ai]ND OUT EX” visual inspection device

Agriculture Process: Creating value through our labor-saving and efficiencies proposals and company networks

We offer manpower reduction, labor-saving and efficiency solutions for agricultural sites to address the decline in farmers and steep rises in feed prices.

We are developing and providing products and services that meet the needs of farmers, such as harvest transportation systems that use “AgileX” four-wheeled Unmanned Ground Vehicles (UGV), strong on rough terrain, and the Appenki for the dairy industry that contributes to self-sufficiency in feedstuffs and helps reduce procurement costs. In addition, utilizing our distribution network of used construction equipment, we regularly hold auctions of domestically produced used farming equipment at our five company-owned Japan-wide locations and via the Internet.

We will continue to work to solve social issues in the agricultural sector by leveraging the Group’s strengths to create added value.

Business Partner Network Development

Platforms for a market-out approach

Business Partner Network

Work to solve social issues with one of the industry's largest networks of business partners

Integrated network



“Grand Fair” Promotion Event Held in Thailand and at Five Locations across Japan

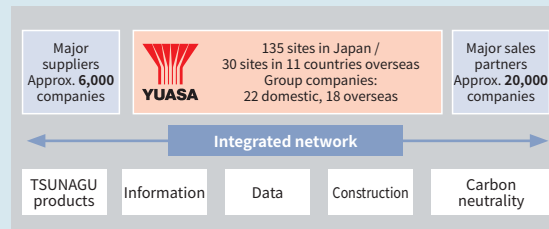


With a 45-year history, our “Grand Fair” is the Group’s largest promotional event for leveraging our integrated network. “Grand Fair” are held annually in five regions

(Kanto, Kansai, Chubu, Tohoku, and Kyushu). These events serve not only as a venue to secure sales but also to create new business opportunities. In 2023 they were held from July to September, and received around 54,000 visitors.

Interactive Platforms

Create new business by capturing market needs and sharing information and know-how with customers



Contribute to factories energy-saving with automatic coolant pump control systems

Green control for coolant pump (GCCP)



Improve efficiency and longevity in brittle materials processing, such as glass, by means of microfiltration in environmental optimization

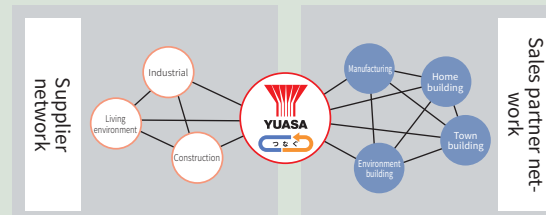
Processing environment solution



P.54

Cross-Industry Platforms

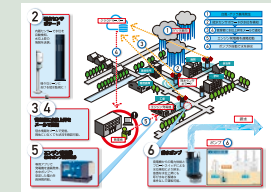
New innovation to address social issues in the market through a network that transcends industry boundaries



Packaged resilience solutions, from water pollution detection to activation of drainage systems

TSUNAGU BCP Packages

P.31



Well-designed gatepost equipped with a home delivery box, and a V2H that allows EV power usage at home

V2H (Vehicle to Home) Gatepost with attached home delivery box



Message from the Supervisory Manager of Management Administration

Aiming to be a Responsive and Passionate Group to Maximize Corporate Value



Kenichi Tanaka
 Representative Director,
 Senior Managing Director,
 Supervisory Manager of Management
 Administration

Implementing “Defensive” Management Based on our Corporate Philosophy

I was appointed to serve as Supervisory Manager of Management Administration in April 2024.

I am committed to working for maximization of both financial and non-financial value not only through sustainability promotion and strengthening of governance but also the implementation of human resources strategy [P.32](#) and growth investment. I look forward to working with you.

I believe that Honesty and Trust, Enterprise and Innovation, and Regard for the Individual, which make up the Company’s Corporate Philosophy, are also the essential elements for Management Administration. Our initiatives on strengthening governance to fulfill the trust of all stakeholders, leading our industry in sustainability promotion with an enterprising approach, and human resources strategy that aims to improve work satisfaction for all employees all originate in the Corporate Philosophy. We will work to maximize corporate value based on the Corporate Philosophy, which expresses the shared values of the YUASA TRADING Group.

Strengthening Governance as a Corporate Responsibility

In light of the attention being focused on corporate governance systems in recent years, initiatives to strengthen governance,

such as improving the effectiveness of internal audits and the importance of compliance management, have become essential for corporate management, which is based on trust.

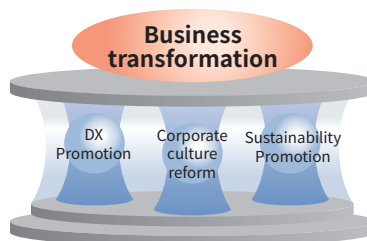
The source of our competitiveness is the extensive network of business partners we have built in our 358 years of business since being founded in 1666. However, establishing and continuously strengthening a governance system that realizes not only compliance but also correct corporate management is needed to live up to that trust and carry it into the future.

I say “continuously” here because the trust built up over a long period of time can be instantly destroyed by just a single incident of misconduct. In the past, we have, in fact, experienced a case of fraudulent transactions involving huge sums of money, which had a major impact on the company’s management. For the employees around at the time, including myself, this incident made us fully aware of the utmost importance of strengthening governance. It convinced us that developing a robust governance system is crucial not just to prevent misconduct, but also to make it possible to stop even the smallest problems that could lead to misconduct before they get any bigger.

Aiming to be a Responsive and Passionate Group

I have constantly told the team members working with me that we should be a responsive (*uteba hibiku*) and passionate group. The Japanese phrase *uteba hibiku* originates from the swordsmiths who were wholesale customers for charcoal,

Three Measures to Support Our Business Transformation (Overview)



Corporate culture reform

We will foster a corporate culture that has normalized TSUNAGU innovation through the means of personnel reforms, environment-building, and strengthened governance. [P.32](#)

DX Promotion

To promote business transformation, we will build a data utilization infrastructure, develop DX talent, reform business processes, and create innovation. [P.27](#)

Sustainability Promotion

We aim to make the YUASA TRADING Group as a whole carbon-neutral, and accelerate the carbon neutrality promotion business. [P.11](#)

Message from the Supervisory Manager of Management Administration

which was the company's original business. It also conveys how important it is for each individual to take ownership of their daily work and the challenges they face, and act independently.

Just as each and every employee in the sales departments represents the company in business negotiations, it is important for each and every employee in Management Administration, which includes human resources and finance, to do their own work with an awareness that it leads to the enhancement of corporate value. To this end, I believe it is essential to foster a corporate culture in which employees regard company-related matters as their own business and act in accordance with this awareness to truly become a responsive and passionate group. We will continue to strengthen Management Administration as the foundation for enhancing corporate value so that we can inherit the trust built up by our predecessors and the lessons left to us in continuing to develop it further.



Sustainability Promotion Initiatives

In 2021, the YUASA TRADING Group announced our 2021 Sustainability Declaration, with a focus on harmony with the global environment, business activities for service with good products, and management that respects humanity. We aim to reduce CO₂ emissions by 30% by March 2026 (compared with FY2022). Leveraging the YUASA TRADING Group's efforts and knowledge, we will also work on our social problem-solving businesses, including promoting carbon neutrality for our business partners.

Long-Term Investment Policy

The policy of the YUASA TRADING Group is to allocate 21.2 billion yen, equivalent to slightly more than around half of cumulative operating cash flow during the period of the Medium-Term Management Plan (2024 to 2026), to growth strategy investments (including core businesses) and DX and IT digital investments to realize future business growth.

We will implement growth strategy investments with the purpose of contributing to the expansion of core businesses and the implementation of business strategy, such as M&A, particularly the expansion of overseas business, and human resources development, as well as the development of products and services through TSUNAGU innovation, and strengthening promotion and logistics. Additionally, DX and IT digital investments will be utilized to introduce and build the necessary systems in line with our company-wide DX promotion policy, including the development of data infrastructure.

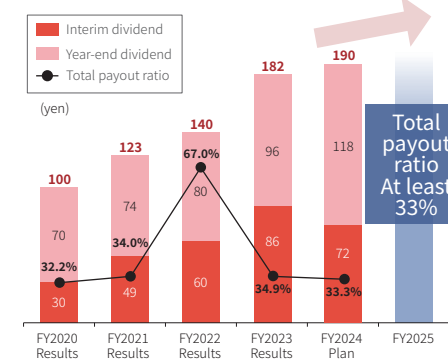
Investment Policy for Growing Together 2026

		Growing Together 2026	
Investment		Plan	Details
Growth Strategy Investment	Overseas Business	¥6.0 bn	<ul style="list-style-type: none"> M&A investment Strengthened investment in South Asia (Thailand and India)
	Green Business		
	Digital Business		
	Resilience & Security Business	¥4.0 bn	<ul style="list-style-type: none"> Product and service development investments <ul style="list-style-type: none"> TSUNAGU innovation development Function strengthening investments <ul style="list-style-type: none"> Human resource development Strengthened sales promotion Development of logistics infrastructure
	New Distribution Business		
	Sharing Business		
	Long-term Care & Medical Business		
Food Equipment Business	Core Businesses		
Agriculture Process Business			
DX and IT digital investments		¥11.2 bn	<ul style="list-style-type: none"> Development of data utilization infrastructure, etc.
Total		¥21.2 bn	

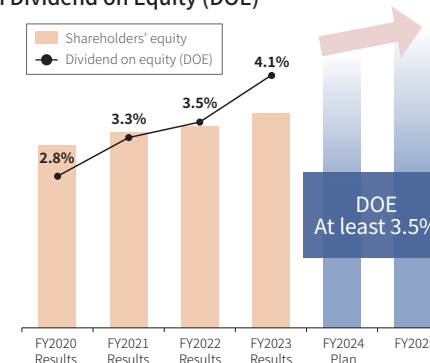
Total Payout Ratio to Shareholders

Last year, we set maintaining both a total payout ratio of over 33% and a dividend on equity (DOE) of over 3.5% as our shareholder return policy, and we will strive to return improvements in profitability to shareholders appropriately while providing stable dividends. Going forward, we will continue working to reduce capital costs and improve corporate value by further strengthening our public relations and investor relations activities and appropriately disclosing information.

Trends in Dividend Per Share and Payout Ratio



Trend in Dividend on Equity (DOE)



* Total payout ratio results for FY2022 and FY2023 include purchases of treasury stock.

DX Promotion

We will further promote our Market-Out business agreements by strengthening our foundations and expanding on our strengths through DX



Kaoru Hirose

Senior Executive Officer,
Chief Digital Officer,
ESG Promotion Officer

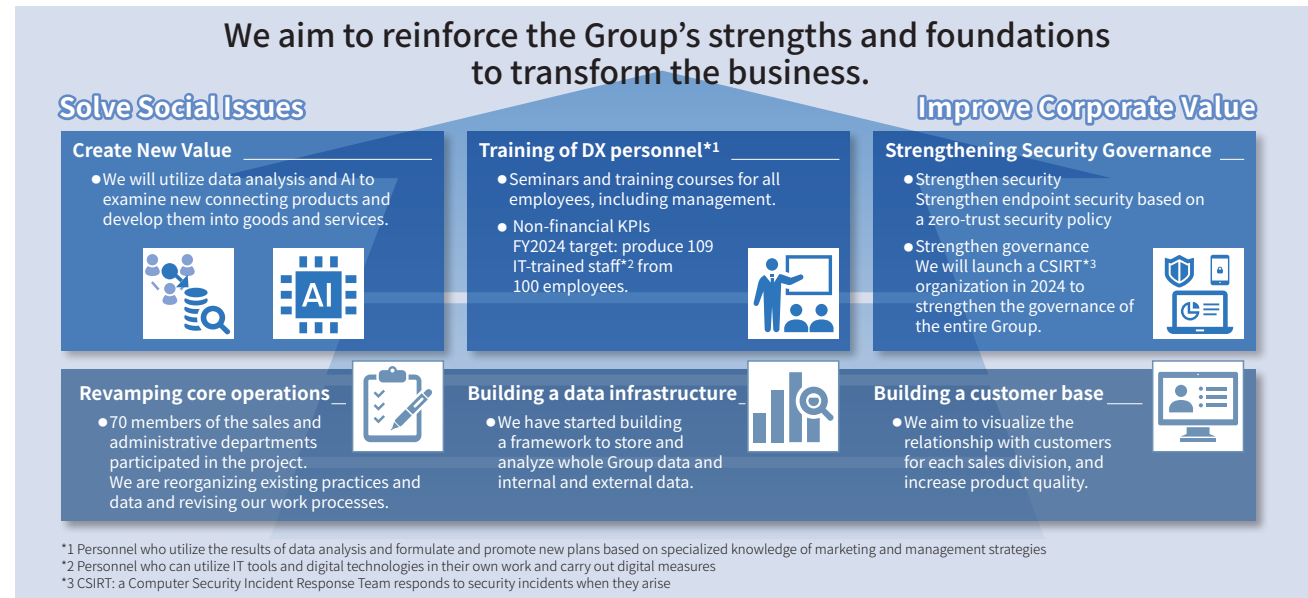
Solving Social Issues and Enhancing Corporate Value by DX Promotion

Our DX Department is taking a lead role in building an infrastructure that centrally manages the various data held by our network to create new value from that data, as we work toward our transformation to an out-marketplace business model, which is the goal of our medium-term management plan.

The nature of a trading company business means that we already have a system in place to gather various internal and external data through our sales activities and communication with our trading partners. However, such data used to be managed by each respective department or group company, which caused challenges in its use across the entire group. We are currently building a system to centrally manage, store, and analyze this data, to help us further promote Market-Out business agreements that anticipate market needs and solve social issues through product and service strategies, and sales activities that utilize the data.

In addition, we will conduct DX human resource training for all employees, including management, to enhance data handling and promote initiatives to strengthen security governance, as we aim to increase our corporate value both actively and passively.

Outline of DX Promotion at the YUASA TRADING Group



Progress of Our Main Initiatives

The following is the current status of the main DX promotion initiatives targeted in our mid-term management plan.

Strengthening Foundations

[Revamping core operations]

We are investigating current practices in our management of client information, providing estimates, etc. and organizing the necessary data to establish an infrastructure.

[Development of a data infrastructure]

We are testing the introduction of a new core system in one department, to formulate rules for its inspection and practical application across the entire group.

Reinforcing Our Advantage

[DX staff training]

As of the end of March, 2024, the number of IT personnel currently stands at 109, in relation to our non-financial KPI to produce 100 IT-trained staff.

Moreover, we plan to make DX IT digital investments worth a total of 11.2 billion yen over three years from 2024 to 2026 with the aim of developing and updating core systems, and as of March 2024, we had invested 4.99 billion yen. We will continue to promote both DX hardware and software solutions while proactively making the required investments.

Environment

We will contribute to realizing a sustainable society both in our Group and in our business based on harmony with the global environment.

Approach to the Environment

Code of Conduct (excerpt)

The YUASA TRADING Group strives to meet the social needs of diverse consumers while providing safe and useful products and services, giving adequate consideration to product liability, resource and energy-saving, and environmental problems and conservation. We also give due consideration to social responsibility in our handling of products and services.

Environmental Policy

All people who work at the YUASA TRADING Group take positive and independent action and contribute widely to society based on the Environmental Policy to realize sustainable development which aims for harmony between the sound maintenance of the environment and economic growth.



Environmental Policy & Environmental Management
<https://www.yuasa.co.jp/en/sustainability/environment/management/>

Governance

We have assigned sustainability promotion officers in all business sectors and sites, including Group companies, to monitor climate change indicators, manage targets and risk, for Group-wide management. The full-time IR & sustainability promotion officer, established within the General Affairs Department and serving as secretariat, reports the progress of these activities to the Sustainability Promotion Committee.

Strategy

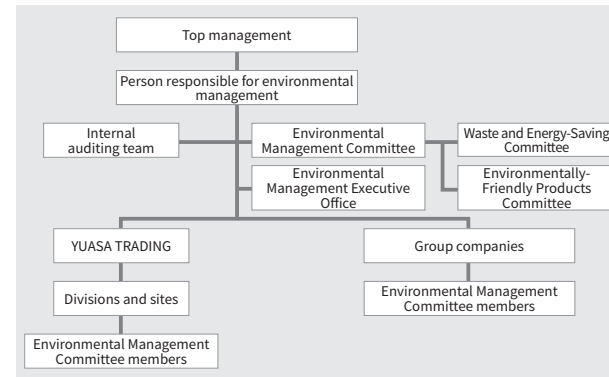
In compliance with our environmental policy, the Group utilizes ISO 14001 multi-certification, an international standard for environmental management, to reduce the environmental impact of our organizational activities, products, and services, and improve our environmental performance.

Environmental Management Promotion System

To promote environmental management, the Group has built an “Environmental Management Promotion System” and is working on a PDCA cycle (Plan, Do, Check, Review) based on our environmental policy.

The Environmental Management Committee has appointed someone to manage the promotion of environmental management for the entire Group. The general managers of each of our sales divisions, business administration divisions, and representatives of group companies work with environmental management committee members within their respective organizations to implement and maintain environmental management.

Environmental Management Promotion Organizational Chart



Risks and Opportunities of Climate Change

As a “TSUNAGU” Service Integrated Shosha Group focused on the four key areas of manufacturing, home building, environment building, and town building, we handle a diverse range of products and services, and as a result the impacts of climate change and the related changes in the business environment present us with both risks and opportunities.

We held discussions with business sector representatives and administrative department sustainability promotion officers to manage risks and opportunities from climate change. We are also working to seize business opportunities during the transition period that arise from changes in government policies, regulations and the market environment, with the aim of realizing sustainable growth, while we manage transformation and risk with regard to those business and field that are affected.

Risks and Opportunities of Climate Change

Categories		Main content
Transition risks	Policy and legal	<ul style="list-style-type: none"> ● Cost increases caused by government regulations, such as introduction of carbon tax ● Cost increases due to strengthening of environmental regulations for products
	Technology	<ul style="list-style-type: none"> ● Decrease in demand for existing products due to low carbon technology
	Market and reputation	<ul style="list-style-type: none"> ● Cost increases due to soaring prices of raw materials, etc. and rising energy prices due to decarbonization ● Decline in external reputation and lower supply chain competitiveness due to delays in taking action and inadequate information disclosure
Physical risks	Acute	<ul style="list-style-type: none"> ● Disruption of Group sites and the supply chain due to large-scale natural disasters
	Chronic	<ul style="list-style-type: none"> ● Stagnation of production activities due to water and power shortages
Opportunities	Products and services	<ul style="list-style-type: none"> ● Expansion in demand for products with high energy efficiency ● Expansion in demand for products related to resilience ● Expansion in demand for products related to resource recycling
	Market	<ul style="list-style-type: none"> ● Expansion in demand for renewable energy ● Increased demand for switching to energy-saving products and high-efficiency devices due to rising energy prices ● Drive for GX (Green Transformation) propelled by the government

Environment

Strengthening Initiatives to Seize Opportunities

In 2009, the Group established a dedicated energy-saving consulting team. In addition to providing support for the introduction of energy-saving equipment and renewable energy at suppliers' manufacturing plants, the team promoted proposal and sale of energy-saving and decarbonization-related products to reduce CO₂ emissions during product use by buyers and their customers. At present, we are strengthening initiatives related to energy saving and decarbonization for overseas markets. To contribute to reducing environmental impact right around the world, we are holding seminars on carbon neutrality and promoting energy-saving proposals utilizing the Joint Crediting Mechanism (JCM).

We are also developing the Resilience & Security Business to address the physical risks of climate change, which include intensifying natural disasters. Besides working to promote products and services that lead to the resilience of social infrastructure based on the keywords of disaster prevention and mitigation and BCP, we are developing new solutions to tackle social issues, such as increasingly severe natural disasters and infectious diseases.

Risk Management

Our business consists primarily of dealings with large, small, and medium-sized companies across a diverse range of industries in Japan. The risks associated with climate change are wide-ranging, from changes in legislation and policies, customer demand, to changes in economic and social conditions.

Each of our business sectors evaluates and responds to changes in regulatory and market conditions with respect to risks involving the company.

We also evaluate physical risks at the Group's Japanese sites and manage them based on compliance with our internal business continuity plan (BCP).

Indicators and Targets

Besides aiming to make the Group as a whole carbon neutral by FY2030, we will also be striving to reduce the environmental burden throughout the supply chain. As the first step toward making the Group carbon neutral, we are aiming for a 30% reduction in CO₂ emissions compared with the fiscal year ended March 31, 2023, by the fiscal year ending March 31, 2026, the final year of the Medium-term Management Plan.

Starting from 2022, we have been calculating CO₂ emissions for each Group company, both domestic and overseas, and we have begun implementing various measures aimed at reducing emissions. Furthermore, in order to drive a reduction in overall emissions in the entire supply chain through our business, we have also been calculating Scope 3 emissions.

YUASA TRADING Group's CO₂ emissions (FY2023)

Unit: t-CO₂

Scope 1&2	Non-consolidated*1	Group companies*1	Total
Scope1	995	3,094	4,090
Scope2	813	1,431	2,244
Scope 1&2	1,808	4,526	6,335

*1 Non-consolidated includes YUASA TRADING CO., LTD. only. The Group companies include subsidiaries and associates (except for those companies not accounted for using the equity method)

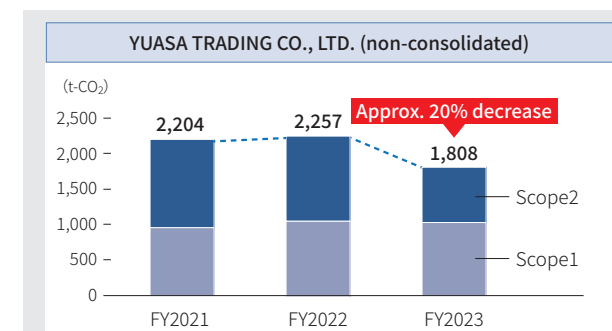
Unit: t-CO₂

Scope 3	YUASA TRADING CO., LTD. (non-consolidated)
Distribution-related emissions*2	523
Data center-related emissions*3	107

*2 Calculated based on the power and fuel consumption of the main warehouses to which the company outsources distribution operations

*3 Calculated based on the power consumption at data centers to which the company outsources operations

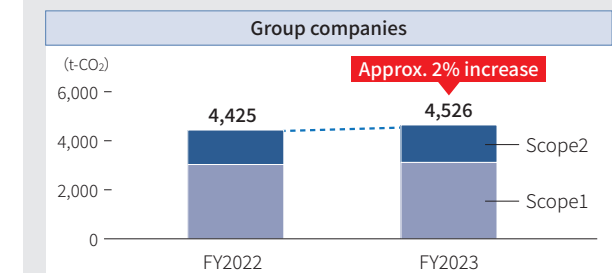
Shifts in the Group's CO₂ emissions



Main reasons for increase/decrease

Scope 1: Promote sequential switchover to eco-cars at the timing of lease renewal

Scope 2: Switch to energy derived from substantially renewable sources (main site: Head Office)



Main reasons for increase/decrease

Scope 1: Increase in activity due to lifting of lockdowns following relaxation of the restrictions combatting COVID (mainly at overseas Group companies)

How CO₂ emission volumes are calculated

The YES-net integrated energy control system is used at all the Group sites to calculate the volume of CO₂ emissions. Sustainability promotion officers assigned to each business sector and site, including group companies, input energy consumption volumes into "YES-net" for efficient collection, aggregation, and centralized control.

Environment

Topics In-house Initiatives

Case Study 1 Installation of Solar Power Equipment for Private Consumption

To realize the Group’s plan for carbon neutrality, we installed solar power generation equipment on the roof of the Chubu Branch Office building, and in the materials roof storage space on the premises of FUJI QUALITY HOUSE, a Group company.

To realize future carbon neutrality and promote energy generation and saving, we will actively contribute to reducing the environmental burden of our business activities on the supply chain.

Overview of Solar Power Equipment for Private Consumption

	Chubu Branch Office	FUJI QUALITY HOUSE
Start Date of Collaboration	April 2024	
Number of Panels	92 panels (425W/panel, totaling 39.10kW)	45 panels (440W/panel, totaling 19.80kW)
Amount of power generated annually (estimated)	44,779 kWh	21,363 kWh
Amount of reduction in annual CO ₂ emissions (estimated)	20.2 t-CO ₂	10.7 t-CO ₂



YUASA TRADING Chubu Branch Office (Nagoya, Aichi Prefecture) building



Materials space on the premises of FUJI QUALITY HOUSE (Isesaki, Gunma Prefecture)

Case Study 2 Management of Company-owned Forests and Domestic Timber Use and Application - Initiatives for Biodiversity

Our Group company, YUASA LUMBER, owns approximately 100 hectares of forest in Hokkaido, and in May 2024, planted 1,600 clean larch* trees for the purpose of forest conservation.

Forests have multifaceted functions such as land conservation, watershed protection, prevention of global warming, preservation of biodiversity, and supply of forest resources such as timber, and these “ecosystem services” provide tremendous benefits to human society. In addition to creating an environment for ecosystem services, tree planting and afforestation can contribute to the development of the forestry industry more broadly, with issues of domestic timber supply, employment, and the realization of a decarbonized society.

We will continue to promote business activities that consider forests and biodiversity and contribute to the realization of a sustainable society where nature and humans can coexist in local communities.

In addition to tree planting, the company also conducts appropriate tree thinning in accordance with its forest management plan. To utilize unused material such as thinned lumber and branches left from thinning of Company-owned forests that cannot be used for lumber and other purposes, we began selling wooden coasters made of Sakhalin Fir from Hokkaido as a carbon offset product and offered them as a novelty item for the Zero Carbon Challenge Cup 2024. Moreover, we made upcycled pencils out of scrap wood from the coaster manufacturing process and donated them to orphanages and other facilities. By purchasing and using this product, you can contribute to forest conservation activities in Eastern Hokkaido. We plan to continue selling novelties such as fans, bookmarks, and file cases made from tree-thinned material.

In this way, we will actively engage in activities symbiotic with the environment in order to realize a sustainable local renewable cycle of “plant, grow, harvest, and use.”

* A species developed in Hokkaido by crossing Japanese and Dahurian Larch. Characteristically, it is not easily damaged by field mice and deer, and grows quickly due to its excellent carbon-fixing capacity.



Company-owned forest in Hokkaido



YUASA LUMBER employees planting trees



Pencil made of Sakhalin Fir mill ends from Eastern Hokkaido

Environment

Topics

Business Initiatives

Case Study 1 Support for Carbon Neutrality Through One-Stop Solutions

At the Group, we have a specialized energy-saving consulting team called YES (YUASA Environment Solution) to support our business partners in their efforts to achieve carbon neutrality. We provide one-stop services ranging from energy analysis using our own integrated energy management system “YES-net” to action plans such as subsidized equipment upgrades and the introduction of renewable and livestock energy.

One-stop solutions to achieve carbon neutrality



We are promoting initiatives abroad that utilize the JCM (Joint Crediting Mechanism)*¹, and in FY2023 we provided support for a JCM eco-lease project. The group company YUASA SHOJI MEXICO.S.A.DE C.V. will deliver and install 869 solar panels (approximately 500 kW capacity) on the roof of a local factory, which is expected to reduce annual CO₂ emissions by approximately 392 tons, or more than 30% of the factory’s electricity consumption.

“Delivery of Solar Power Generation System to Japanese Company in Mexico” Press Release

<https://www.yuasa.co.jp/cms/wp-content/uploads/2023/09/1728af4873fd3d1448da775e0c9f46411.pdf>



*1 This system quantitatively evaluates Japan’s contribution to GHG reductions and absorption through the diffusion and implementation of excellent decarbonization technologies in developing countries, etc., and uses the results to achieve Japan’s emission reduction targets.

Case Study 2 Resilience and Security Business Working on the Keywords of “Disaster Prevention and Mitigation, and BCP”

“TSUNAGU BCP Package” Remote Activation Drainage System

“TSUNAGU BCP Package” is a system that remotely monitors river conditions using cameras and water level sensors installed on poles, notifies managers when water levels rise due to torrential rain or typhoons, and enables automatic drainage by remotely activating a power unit and drainage pump via an application.

Temporary drainage pumps for flood control have been installed throughout Japan, but people need to be on-site to check river conditions and activate generators, which can be dangerous when the water level rises. We realize safe living for local residents while guarding the lives of drainage facility managers.

We have discussed conducting demonstrations with one municipality since 2023. We are working to confirm the linkage of each device and develop a control panel, interface, and application for implementation.

“Japan Resilience Awards” Press Release

“TSUNAGU BCP Package,” a remotely activated drainage system, won the Excellence Award at the 10th Japan Resilience Awards

<https://www.yuasa.co.jp/cms/wp-content/uploads/2024/04/20240424%E3%80%8ANews-Release%E3%80%8BJapan-Resilience-Award-.pdf>



Medical Containers that Enable Telemedicine

We provide mobile medical containers that are sturdy and easy to transport to reduce medical quarantine zones on remote islands and in remote areas with poor transport public transport links. They can be used in examination rooms, ultrasound laboratories, inpatient wards and ICUs, etc. Furthermore, satellite communication systems enable telemedicine from any location.

Most recently, four medical units facilities were installed to aid reconstruction efforts in Noto Peninsula [P.38](#), and in February 2024, we conducted a telemedicine demonstration in the town of Shin-Kamigoto.

The main feature of these medical containers is that their location and use can be switched between emergency and ordinary times (see figure below). For example, in normal times, the facility can be used for remote health checkups, etc. In an emergency, the container can be transported to the disaster area and used as a hospitalization facility, rest area for medical personnel, etc.

In the future, the company will continue to specialize in disaster medical care and work on creating new added value to provide an ‘environment tailored for medical settings’ with mobile medical containers, while at the same time providing comfort at the scene of an emergency under the theme of ‘providing a therapeutic space’.

Assembling Mobile-ready Medical Containers



Flat-pack medical containers allow for reduced assembly times while increasing transport convenience. In Shin-Kamigoto Town, five containers were assembled and finished by three people in just one day. The Group’s on-site capabilities means we can provide a one-stop transportation, installation, removal, and construction service.

Human Resources Strategy (Corporate Culture Reform)

Message from the Personnel Department General Manager

Accelerate increased corporate value with compatible company and employee growth



Yukinaga Onozato

Executive Officer,
General Manager of Personnel Department

Basic Approach to Human Resources Strategy

The YUASA TRADING Group regards employees as human assets equivalent to capital, and considers such capital as indispensable to increasing our corporate value. We hope to provide opportunities for each employee to increase their skills through their contributions to the company, and by working to create an organization and environment in which employees can grow, thereby continually increasing our corporate value.

I feel that our human resources strategy plays an important role in YUASA Group's business of solving the market's social issues through TSUNAGU innovation.

It is PEOPLE who understand social issues and needs, and it is also PEOPLE who can solve them through TSUNAGU innovation. We believe that we can achieve our management strategy goals by empowering employees to reach their full potential, and making TSUNAGU innovation the norm.

To that end, I believe that it's important for employees to continually grow with the company, as this growth will accelerate increased corporate value and, most importantly, help to create a virtuous cycle.

YUASA TRADING Group Desired Talent Profile

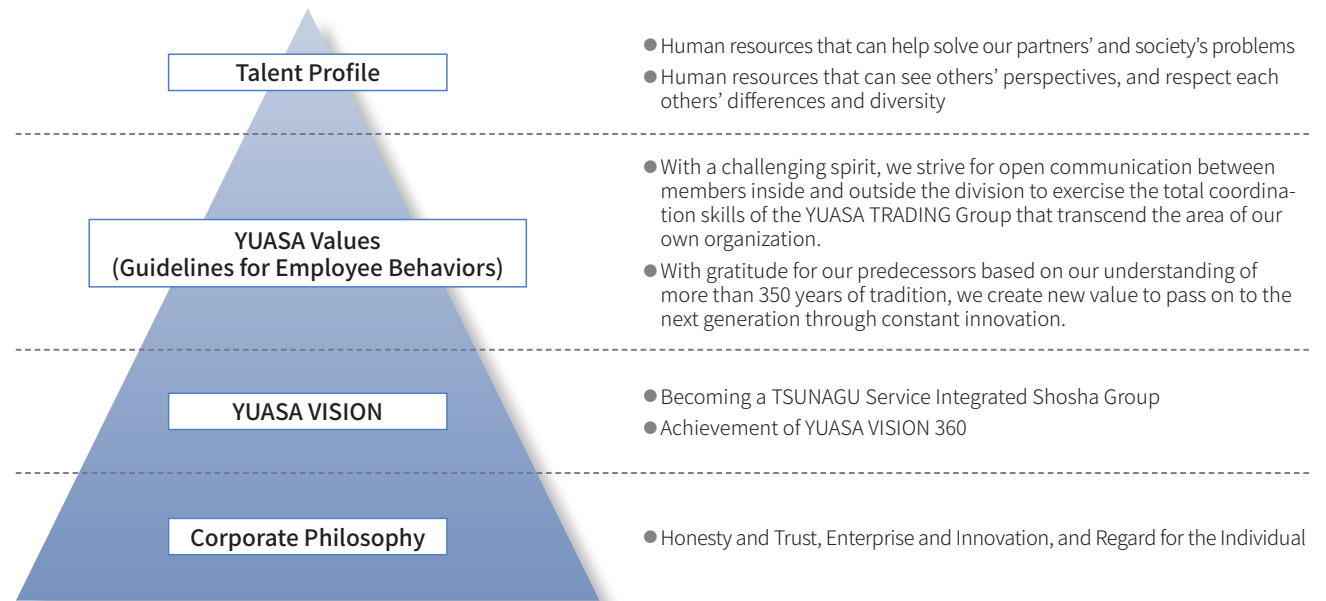
At YUASA, we desire human resources that “can help solve our partners’ and society’s problems”, and who “can see others’ perspectives, and respect differences and diversity”, while conforming to our Corporate Philosophy, YUASA Vision and YUASA Values (guidelines for employee behaviors).

The current medium-term management plan aims to solve social issues through TSUNAGU innovation while transforming the business into a market-out model. We recognize that a

culture in which everyone can speak up and in which everyone respects each other is essential for engendering innovation, and we believe this is very important from the perspective of demonstrating our collective strength.

We are currently reforming our corporate culture [P.34](#), and I believe that we must create a culture in which TSUNAGU innovation becomes the norm, so that we can accelerate our business's transformation (see diagram below).

Corporate Philosophy, Vision, Values, and Talent Profile



Human Resources Strategy

Message from the Personnel Department General Manager

Addressing Priority Issues: “YUASA PRIDE Project”

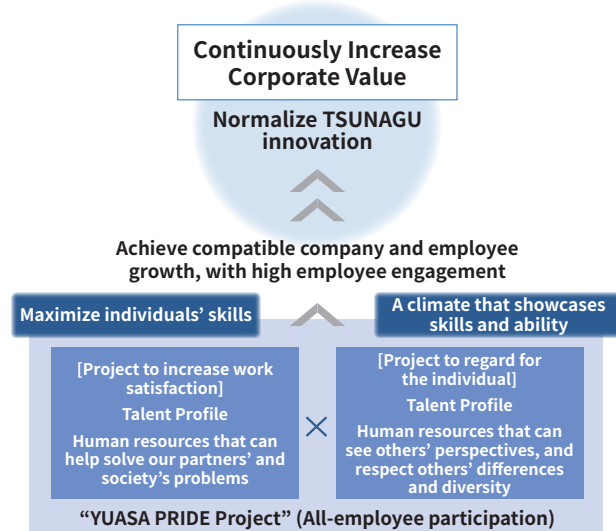
We aim to achieve compatible company and employee growth, as well as high employee engagement. To that end, I believe that one of the YUASA TRADING Group’s priority issues is to improve employee work satisfaction and ease of work.

We therefore conduct employee awareness surveys on a regular basis. Analysis of results shows that there is high correlation between employee engagement and motivation to work for the company. “Work satisfaction” is linked to personal growth through one’s job, especially management experience or increasing one’s skills.

For employees to increase their skills and generate innovation, we need to foster a corporate culture in which employees from diverse backgrounds, including gender, age, nationality, disabilities, and various lifestyles and values all respect one another.

The YUASA PRIDE Project (see bottom-left diagram) is an

Overview of YUASA PRIDE Project



all-employee participatory project, launched in March, 2023 specifically to address this priority issue.

In FY2023, we held workshops (totaling 88) for both the “Project to Increase Job Motivation” and the “People Respect Project” in which all employees participated. From FY2024 onwards, we will give specific consideration to the aforementioned “Talent Profile” based on the comments and requests recorded in these workshops, and incorporate them into our personnel hiring systems. We will then consider specific measures to achieve DE&I (Diversity, Equity & Inclusion) tailored to the YUASA TRADING Group, for a corporate culture in which everyone feels comfortable and can express their opinion at work.

What the Workshop Revealed

Although it was the first time we’d held an all-employee participatory workshop, each employee conveyed opinions that showed their sense of involvement in the company. As General Manager of Personnel, I felt heartened by the variety of opinions expressed. I felt that employees generally identified with the talent profile presented, and that they are anticipating changes by the company.

Also, the workshops offered employees the chance to communicate with each other, and many found them worthwhile from that standpoint. I hope to build on the momentum and respond to employee opinions conveyed at the workshops by changing the company culture.

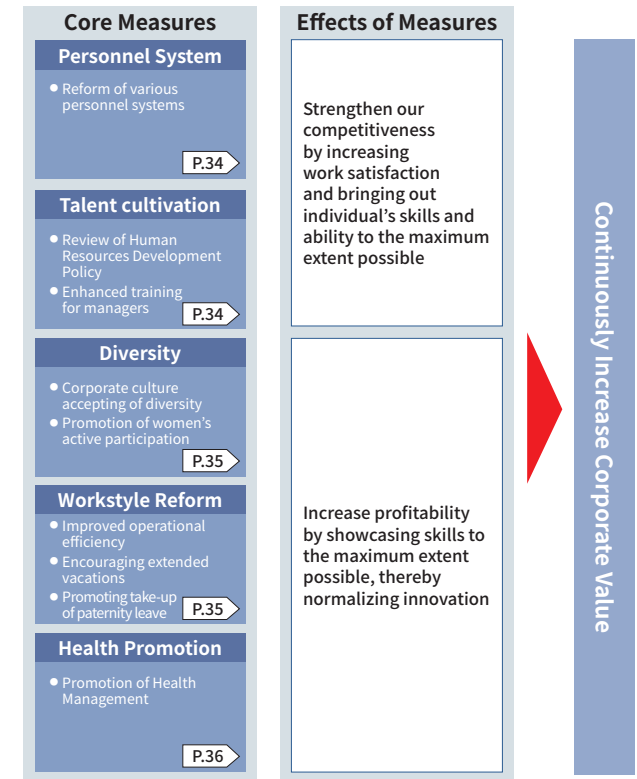
Leading to Continuously Increasing Corporate Value

While I think that increasing employee engagement will help create an easy working environment, a comfortable workplace is not enough on its own. Without employees’ personal growth, there is no work satisfaction, and we can’t expect both the company and employees to grow.

We will create personnel who want to upskill, and connect it to the company’s growth. I would like to generate this kind of positive cycle. We offer an environment where you can

challenge yourself. I would like you to take advantage of this, and increase your skills to the highest possible level.

With employees, we will drive reform of hiring systems, diversity promotion and reform of working practices to improve job satisfaction and ease of working at the YUASA TRADING Group, which will lead to continuously increasing corporate value.



Note: Diversity, equity, and inclusion are the foundation for innovation and sustainable growth (Reference: https://www.keidanren.or.jp/journal/monthly/2023/03_JOINnovator.html)

Human Resources Strategy

Reforming Corporate Culture to Strengthen Human Resource Capabilities

Code of Conduct (excerpt)

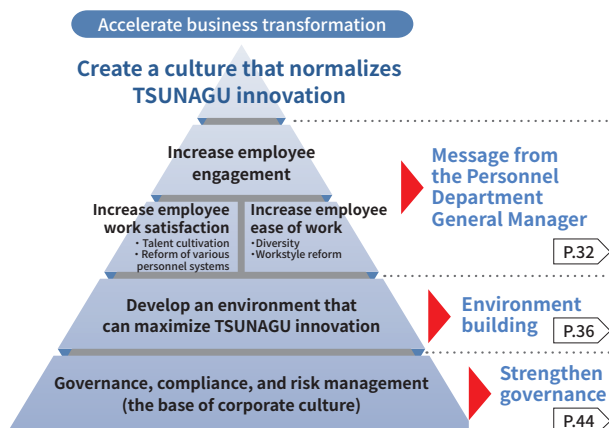
The YUASA TRADING Group will create prosperity and comfort for the people working at the Group and ensure a safe environment with ease of employee work in addition to realizing a corporate culture that gives maximum respect to personality and individuality and enables employees to exercise free and open-minded creativity.

Objective of the Corporate Culture Reform

By assembling a talent profile based on our corporate philosophy, work satisfaction and comfort will increase and innovation will be normalized, leading to an increase in the company's competitiveness.

We will promote reform of the personnel system, environment creation and strengthened governance aiming for TSUNAGU innovation, which is one of the goals in our medium-term management plan.

Overview of Corporate Culture Reform



Personnel System

Basic Philosophy

The YUASA TRADING Group will cultivate its talent profile, while it aims for a personnel system in which those employees can play an active part.

Through the YUASA PRIDE Project, we will also consider “revision of the seniority system,” “performance-based systems that are appropriate for YUASA TRADING,” and “realizing diversity” and make necessary reforms to our various personnel systems.

Create an Aspirational Culture, “Challenge Evaluation System”

[Points for Contributions from Other Departments]

This is a system which adds points in HR evaluations based on the results of contributions from other departments for the purpose of fostering a corporate culture with active cross-departmental and Group-wide contributions.

[Challenge Career Points]

This is a system that adds points in HR evaluations for employees who have selected their own career in order to foster a culture of taking on challenges in new areas.

Challenge Career System

Internal FA system	System for employees to submit requests for voluntary transfers across headquarters
Internal recruiting system	A system in which the company publishes open positions, and employees who want to be assigned apply for them
Career pass system	A system in which the company transfers high achievers across headquarters
Overseas assignment system	A system for employees to request an overseas transfer

[New Business Proposal Points]

Employees who have made a new business proposal receive points on their HR evaluations to provide motivation for new business proposals from employees.

Number of Proposals in the New Business Proposal System

FY2021	51
FY2022	57
FY2023	60

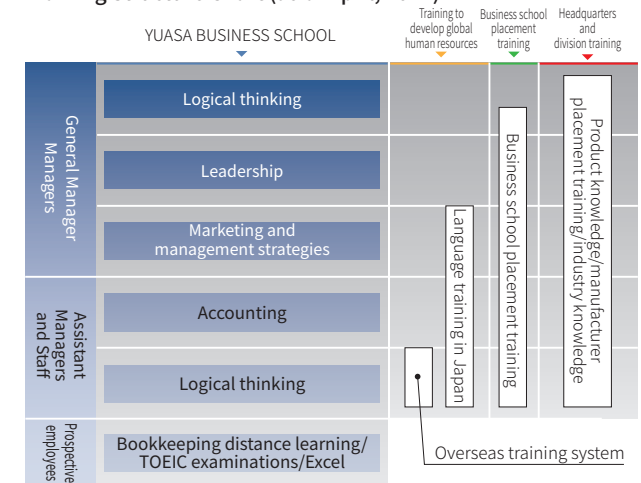
Note: Applications are open to all Group employees in the categories of “new business,” “new function,” and “new product” and “new market.”

Talent Cultivation

We are currently designing a training structure to cultivate our desired talent profile.

Specifically, we will systematize management skills training through active use of business schools and support for acquiring qualifications, specialized skills training through headquarters training and support for acquisition of industry qualifications, digital skills training such as DX training, and global human resources development training such as overseas trainee programs and language training.

Training Structure Chart (as of April, 2024)



Specific Initiatives

- Enhancement of management skills
We provided management skills training using business schools for all managers. This will be expanded to include mid-level and general employees.
- Cultivation of global human talent
- Cultivation of digital transformation (DX) human talent P.27

Human Resources Strategy

Diversity

Basic Philosophy

Based on a spirit of “Regard for the Individual” the YUASA TRADING Group has respect for the individuality and rights of employees, and we have continued to engage in business activities while putting value on entrepreneurship and innovative ideas.

Henceforth, employees with more diverse backgrounds than ever before in terms of gender, age, nationality, disability, and various lifestyles and values will foster an environment of respect for each other’s values and cooperation.

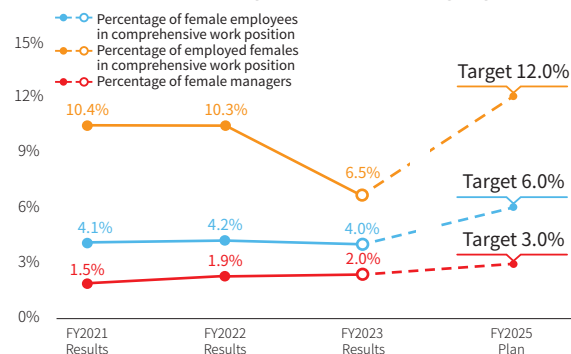
We will also seek to enhance corporate value by encouraging a transformation in the mindset and behavior of each and every employee, creating an employee-friendly environment, promoting diversity management throughout the YUASA TRADING Group and generating innovation.

YUASA TRADING Group Diversity Policy
<https://www.yuasa.co.jp/en/sustainability/society/diversity/>



Indicators and Targets [Diversity]

KPI for Medium-term Management Plan “Growing Together 2026”^{*1}



^{*1} Indicators for YUASA TRADING (non-consolidated)

Specific Initiatives

[Career Track Transfer System]

In order to promote women’s empowerment, we are promoting a job transfer system to change from general employment to career-track positions.

	FY2022 Results	FY2023 Results	FY2024 Plan
Special service positions (in transfer trial period ^{*2})	7	8	3
Comprehensive work position transfers	2	0	6

^{*2} There is a two-year trial period for a career track transfer from general office work positions to comprehensive work positions (position = special service position)

Topics Towards an understanding of unconscious bias

In YUASA PRIDE Project’s People Respect Project, we exchanged views with employees about how to understand and correctly address “unconscious bias.”
 Subject: YUASA TRADING CO., LTD. (non-consolidated)

[Workstyle Reform]

KPI for Medium-term Management Plan “Growing Together 2026”^{*3}

	FY2022 Results	FY2023 Results	FY2025 Plan
Percentage of male employee taking childcare leave and leave for the purpose of childcare	78.1%	72.5%	100%
Percentage of taking paid leave	62.8%	67.8%	70%
Average hours of labor	1,955 hours	1,934 hours	1,920 hours

Initiatives to Support Raising the Next Generation^{*3}

	FY2022	FY2023
Employees working shortened hours	46	56

^{*3} Indicators for YUASA TRADING (non-consolidated)

Voice

Changed Values through Raising Children

I took six months of childcare leave from October 2023 to April 2024 to care for my triplets born in May 2023. I obtained this leave after considering the timeframe for a premature child to be discharged from hospital and actual childcare to begin, the daycare enrolment stage and the workload my department would handle. Although I hadn’t underestimated childcare, I decided to take leave just before my children were born. This was because I worried about whether I could successfully return to work after 6 months away, and whether I’d be able to handle childcare properly. However, I made the decision after thinking about the limited time we have in life to raise children, how precious it was, and how a short spell away from work could bring a fresh perspective and new sense of values to my role.

When I took leave, I put so much into raising my children that I didn’t have time for anything else. Each day whizzed by as the reality of childcare dawned on me, and I wondered why I couldn’t stop my children from crying, or why I wasn’t good at nursing them to sleep. However, I understood how invaluable an experience it is to raise children by yourself, and how hard and important it is to have a support circle around you.

After returning to work, I found it difficult to rediscover my rhythm each day, and I’ve leaned on others for support to perform in both my job and raise my children. Having experienced the difficulty of childcare while spending precious time with my children, I want to create an environment where work and childcare are compatible.



A male employee who took childcare leave

Human Resources Strategy

Health and Productivity Management

Basic Philosophy

In health and productivity management, maintaining and promoting the safety and mental and physical health of employees is very important for each and every employee to maximize his or her individual skills. We have made a commitment to health and productivity management in order to realize the sustainable enhancement of corporate value.

Health Management Declaration

<https://www.yuasa.co.jp/sustainability/society/health-management/>



Promotion System

The Supervisory Manager of Management Administration (Representative and Senior Managing Director) is the chief executive for employee health management, and reports on the status of measures and initiatives promoted jointly by the Personnel Department and the health insurance association at important management meetings.

Specific Initiatives

[Use of the Wellness Promotion Center (WPC)]

We have full-time nurses employed to support staff with maintaining their mental and physical health and well-being.

[Recognized as the “2024 Certified Health & Productivity Management Outstanding Organization”]

Continuing from last year, YUASA TRADING was recognized for the sixth time as a “Certified Health & Productivity Management Outstanding Organization” in a system that awards major companies who execute excellent health and productivity management. This is awarded by the Ministry of Economy, Trade and Industry of Japan to promote the spread of health and productivity management.



Health and Productivity Initiatives (FY2023)*

Regular health checkup rate	100%
Stress check rate	99.4%

* Indicators for YUASA TRADING (non-consolidated)

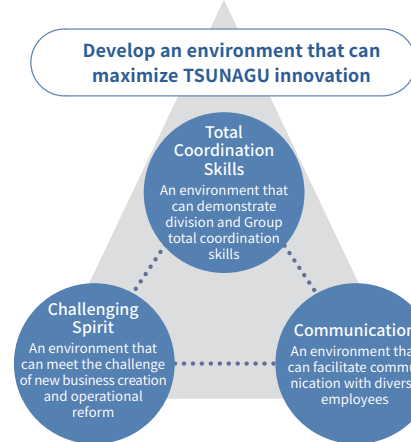
Development of the Working Environment

Objective of Working Environment Development

We aim for a Group-wide office environment with the ability to promote “Total Coordination Skills,” “Challenging Spirit,” and “Communication.”

We believe the “workplace environment” is as important as system reform in order to increase employee “work satisfaction” and “ease of work.” We will accelerate business transformation by developing an environment where communication is possible across divisions, the Group, job title, age, etc. to create innovation. We will also maximize individual performance to realize workstyle reform.

Development of the Working Environment We Are Aiming For



Topics New Headquarters Project

We are currently progressing with the planning stage after acquiring the land earmarked for construction of our new headquarters.

At the same time, we have started a project for employees to debate our planned ways of working for the new headquarters construction project.

Topics Tohoku Branch of YUASA TRADING CO., LTD

YUASA TRADING Tohoku Branch Office moved location in February, 2024.

Based on the “City of Trees” concept, the relocated branch features a lot of wood-grained office furniture that we expect to give off warmth and improve concentration.

The office will provide project and innovation spaces for exchanging ideas, etc. and will be a place for more open and frank discussion between colleagues. Also, we’ve situated group companies on the same floor for an environment that helps display our collective strength, to further increase productivity hereon in.



Innovation Space



Office interiors feature a lot of greenery. The office building also promotes SDGs, such as for the global environment.

Respect for Human Rights

I Sustainable Procurement

Basic Philosophy

Based on the mindset of “service with good products” that has been passed down from the founding of the Group, we conduct fair, honest, and reliable commercial transactions. In order to promote management that values sustainability, including harmony with the global environment, in partnership with diverse stakeholders, we have established the YUASA TRADING Group Transaction Policy. Under the policy, we pay due attention to human rights, labor practices, environmental conservation, quality, safety, and security in the supply chain, and carry out regular checks.

YUASA TRADING Group Transaction Policy

<https://www.yuasa.co.jp/en/sustainability/society/supply-chain/>



Specific Initiatives

[Increasing Supply Chain Engagement]

The YUASA TRADING Group thinks it is important for everyone across the supply chain to understand its trading policy. We will continue to emphasize the importance of dialogue with our supply chain partners to increase engagement across the supply chain and promote sustainability.

Firstly, since FY2024, we have asked our trading partners to fill in questionnaires as one of the “periodic checks” contained in our trading policy.

Aim of the Questionnaire

- To request an understanding and practical application of YUASA's trading policy
- To check initiatives aimed at addressing environmental risk, human rights risk, etc.

After conducting the survey, we will strive to increase engagement while collaborating with our trading partners as necessary.

I Respect for Human Rights

Compliance with Human Rights Policy

Respect for human rights is one of the important elements of the YUASA TRADING Group's business activities. Based on the YUASA TRADING Group Human Rights Policy, all officers and employees of the Group companies practice the policy throughout our business activities. In terms of specific initiatives, besides the implementation of human rights due diligence, we also engage in dialogue with stakeholders and will continue to strengthen our measures aimed at respect for human rights.

YUASA TRADING Group Human Rights Policy

<https://www.yuasa.co.jp/en/sustainability/society/human-rights/>



Topics

Labor Practices

In accordance with its trading policy, the YUASA TRADING Group will strive to comply with international norms on human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), and the ILO Declaration on Fundamental Principles and Rights in the workplace.

In accordance with ILO promotion of efforts to “eliminate discrimination in employment and occupation”, we apply a unified compensation system (equal pay for the same work) on the same salary scale, and promote labor practices, such as a safe and healthy work environment and appropriate management of working hours.

YUASA Labor Union, comprising YUASA employees, works on an equal footing with YUASA TRADING, based on fair understanding and trust, to promote the corporation's sound development and improve employees' working conditions and environment.

Specific Initiatives

[Human Rights Due Diligence]

The YUASA TRADING Group business covers a wide range of fields, including manufacturing, wholesale, construction, maintenance services, energy, etc.

In accordance with our human rights and trading policies, we will analyze and verify a business's likely human rights risk and process through dialogue with all supply chain members, then take steps to prevent or redress this by creating a framework to reduce and stop human rights risk from occurring.

* We are currently considering precise details regarding our human rights due diligence (such as implementation structure, flow, etc.). Once established, we will publish it on our website and in this report, etc.

[Measures to Prevent Human Rights Risk]

1. Training courses on general compliance and harassment prevention

Training is conducted under the guidance of the Ethics and Compliance Committee to prevent apparent and potential negative effects.

- Overall number of trainees in FY2023: 536 employees (see [P.50](#) for course details)

2. Addition of human rights clause to the Continuous Buying and Selling Basic Agreement

Since April 2023, we have added clauses related to human rights, such as environmental protection and occupational safety, to the basic agreement (company format) that is exchanged with new trading partners. Not only the YUASA TRADING Group, but also all the YUASA TRADING Group business partners, are working to reduce human rights risk.

3. Implementing Respect for Human Rights projects

We implemented the all-employee participatory “Respect for Human Rights project” at YUASA TRADING in January 2024 so that all employees can gain an understanding of unconscious bias and a common awareness of how to deal with it.

Corporate Social Responsibility (CSR)

Supporting Young Athletes' Futures

As part of our CSR activities supporting young athletes' futures, we sponsor two female professional golfers, Minami Hiruta and Hikari Tanabe, who both won their first professional championships in 2023, and Ryo Kurinaga, a professional caddie who is mainly active on the professional Japan Golf Tour.

We've sponsored Ms. Hiruta since 2017 and had an affiliation agreement with her since 2019. The challenge-filled playing style that is part of our corporate culture bore fruit in August 2023, when she won her first professional victory in the Japan Ladies Golf Tour competition "CAT Ladies 2023." Ms. Tanabe has played in 23 matches during the 2023 season. Mr. Kurinaga has worked hard caddying for 11 players, 6 on the men's tour and 27 on the women's tour, giving their best efforts.

By supporting sports activities through sponsorship of athletes, we not only contribute to society, but also work to foster teamwork and promote health by strengthening communication and relationships with our business partners and encouraging employees to actively participate in sports activities.



Minami Hiruta, Professional Golfer



Hikari Tanabe, Professional Golfer



Ryo Kurinaga, Professional Golf Caddy

Supporting Reconstruction with Medical Container Houses

As part of reconstruction assistance after the January 2024 Noto Peninsula Earthquake, medical container house of YUASA MACROS, our Group company, was installed at a medical facility in Wajima, Ishikawa Prefecture.

We installed 4 medical container houses, which were fitted with barrier-free temporary toilet rooms, service counters, ramps, etc. at clinics in Wajima City. Medical Container Houses and other facilities are also being installed at various medical institutions in Ishikawa Prefecture.

The Group will continue to provide support to the best of our ability for the earliest possible recovery of the disaster-affected areas.



Medical Container House



Inside of a Medical Container House

Topics YUASA MACROS Disaster Prevention Depots

Group Company YUASA MACROS offers a one-stop transportation, installation, removal and construction service, providing unit houses and ancillary equipment for the construction and event markets, as well as aid for disaster-affected areas similar to Noto, in line with customers' requests.

It also manufactures and sells disaster stockpile depots, which are ideal for resilience. They have been the focus of much attention lately, and are now being adopted throughout Japan.

YUASA MACROS CO., LTD. Website
<https://yuasamacros.co.jp/>



An "MF Series" Disaster-Prevention Stockpile Depot

Environmental Conservation Activities in Malaysia

Since April 2020* and in collaboration with the Japan-Malaysia Association, we've been implementing the YUASA TRADING Forest Project, an environmental conservation initiative in the Mulbok Protected Wetlands in Kudah, Malaysia that aims to maintain the country's forests and biodiversity through the regeneration of the mangroves. In FY2023, we planted and raised 5,000 seedlings.

Also as part of the project, in February 2024, we donated schooling support materials for elementary school pupils in the area of activity. In this case, we donated stationery (notebooks, pens, etc.) needed for schooling, because the action area is in a region where many children come from low-income families receiving government subsidies.

We will continue implementing the YUASA TRADING Forest Project until March 2030. In the future, the Group employees will participate in tree-planting and environmental education programs, and work on initiatives with students from the local University of Science Malaysia (USM) and local people to maintain and preserve the country's environment.

* Actual activities began in FY2022 due to the impact of the COVID pandemic.



Students from University of Science Malaysia and local people planting saplings



Presentation of Schooling Support Materials

Outside Directors Round-table Discussion

We held discussions on expectations for future growth and corporate governance at the YUASA TRADING Group.



Shinzo Maeda
Outside Director

Yoshiro Hirai
Outside Director

Miki Mitsunari
Outside Director

How Can We Connect Our Cultivated Networks?

Maeda: Of course, I think it's important to have an overseas strategy for achieving the aims in our medium-term management plan "Growing Together 2026."

At present, overseas billings account for only about 5% (¥28.1 billion in the fiscal year ended March 31, 2023) of total company turnover (¥526.5 billion in the fiscal year ended March 31, 2023), but as this percentage increases further, the way people inside and outside the company view our business will change. In order to increase the presence of our overseas business and foster a sense of YUASA's global expansion, I feel that further growth in our performance is essential.

The key to achieving ¥65 billion in overseas turnover for the fiscal year ending March 31, 2026 is to expand our strengths overseas, such as the YUASA way of doing business with its corporate philosophy of "integrity and trust", for example, making high value-added proposals face to face, which aim for mutual benefit with our suppliers and sales partners. These strengths are on full display at the Grand Fair, and I hope that the success of the Thailand Grand Fair scheduled for February 2025 will be the starting point for new overseas promotions, including expansion to other regions, such as India.

Hirai: I was blown away by the Grand Fair. There are many expos in the world, but not so many that can generate such concrete business. I feel that the energy generated by connecting our network of approximately 6,000 major suppliers and 20,000 major sales partners is one of YUASA's greatest strengths.

The key is how to make the most of this network, and how to create new ways of connecting and completely new connections, among the infinite number of possible combinations. I think that's why people are so important. I believe that the challenge for YUASA in the future lies in the ability of each individual to think and act independently, and how the company and organization can create the climate and environment for this to happen.

Mitsunari: To accelerate the creation of these connections, you are also promoting DX, including maintenance of a database of clients, so we would very much like to see this happen.

The "Shosha" business model is unique to Japan and includes trading of goods, as well as a wide range of other business models, such as procurement, related services, and investment. I believe that sales are not YUASA's only strength; we are also able to make high value-added proposals that connect all kinds of solutions, including plant formation and after-sales support. I hope that you will continue to promote an open culture proposing cross-functional solutions and the creation of a framework that includes DX.

As We Approach the 360th Anniversary of the Company's Founding, Let's Look to a Future Where We All Embody the "YUASA Brand"

Hirai: Following on from the importance of people and developing human resources, I think it's important to increase personnel who think and act independently, so they enjoy doing a job that allows them to think for themselves.

Workers are often left to their own devices, when actually they are not sure what to do. Alternatively, they think that work is something they are "given", so to speak, where a boss or senior colleague tells them to do their utmost to meet a client's demands. While that is important, it is also a "challenge" to think and try things by yourself, rather than just passively taking on a job where you've already been told what form it should take. I think you only get that job satisfaction when you've accomplished a task like that for yourself.

To continue 400 to 500 years on from our 360th anniversary in 2026, as a company, I think we need to increase personnel who can learn from our history to always think and take on new challenges, and create an environment that produces that kind of people.

Mitsunari: When I talked with people on-site, I felt that YUASA has a vibrant working culture, with people fully engaged with and valuing the "YUASA brand" cultivated over the company's history.

Maeda: I believe that a brand personifies absolute trust and reassurance. The YUASA brand, which we've cultivated over many years, is felt not only by our customers but also by the employees who work at YUASA. To take Mr. Hirai's point about developing human resources, I feel this is the foundation on which a strong brand is built.

Outside Directors Round-table Discussion

Mitsunari: During our long history, the company has transformed itself continuously to meet the needs of the times. In recent years, women's working patterns have become more diverse as lifestyles change. I hope that you will progress with systemic changes, including construction of a new facility, to enhance our ability to offer quality solutions and promote commercialization, while leveraging YUASA's strengths. I also anticipate an increase in women employees taking on leadership roles.

Hirai: In terms of human resources and with increased employment mobility, I think we also need to consider how to promote YUASA as a place to work from a branding perspective. Simply retaining staff is not enough, it's also about offering opportunities, about how they can use them in their career, and whether they see a long-term future working for the company.

As a specialized trading company of composite materials, owning various business segments, there is a lot of collaboration and communication across divisions. One of our strengths is having an environment where you can think out of the box, and create various combinations and business models. "I can develop my career so much if I join YUASA!" If people think like that, they'll work here long-term and this will be part of the YUASA Brand. It would be great if that's how things go.

A Corporate Culture That Fosters Challenge Is Only Possible with a Strong Governance Structure

Maeda: As Chairman of the Governance Advisory Committee, I am responsible for reviewing and making recommendations regarding the management of Board of Directors meetings and governance structures. Governance styles vary between companies, and the fact that YUASA has been able to manage its business successfully despite various challenges to date is evidence that our corporate governance is functioning well.

Governance also plays the role of a "brake" in corporate

management, but trust in the brake is what allows for speed and peace of mind. In terms of management, a strong governance structure is a prerequisite for stepping on the gas pedal to take on brave challenges and boldly promote business, and I feel that the balance is now firmly in place.

Hirai: Before each Board of Directors or Governance Advisory Committee meeting, we, the outside directors, are given a briefing on the items on the agenda, which I think is well organized and convincing.

Mitsunari: As Mr. Hirai said, my impression is that Board of Directors meetings are formal, or rather, agenda items are proposed in a well-organized manner.

I have been a director of YUASA for less than a year, but when I previously worked on projects with people on-site, I felt that company discussions were animated and frank. Now, we have the chance to exchange ideas and communicate outside of board meetings. This has allowed us to better understand the business and strategic direction of the company, for which I am very grateful.

Maeda: In that context, there was an opportunity for free discussion among the outside directors when formulating the current medium-term management plan. I hope that we'll have opportunities to actively communicate like this in the future.

Hirai: I think it is important to have opportunities to discuss medium- to long-term themes, such as medium-term management plans and human resource strategies, like the free discussions just mentioned by Mr. Maeda. This links to what governance means in its broadest sense.

Maeda: Regarding human resources, the Governance Advisory Committee also discusses nominations and compensation. With the recent trend of extending workers' retirement age, a hot topic these days, there are many themes to be discussed in human resource strategies, such as the retirement age for executives. With our current sound business performance, I would like to continue to deepen the discussion as we prepare for the future.

Message

Message from the Newly Appointed Outside Directors

I am very grateful to be appointed to the valuable role of Outside Director. I will work with those reappointed to perform my role to the utmost of my ability.

I have had a relationship with YUASA TRADING through my specialization in labor law support. Through my communication with those involved in practical operations, I've noticed the speed in which YUASA has adopted changes. I think that the company could weave a history of nearly 360 years

because it understood and continues to understand the importance of change for keeping up with the times. I believe that open discussion is possible because we embody the corporate philosophy of "enterprise and creativity" and have a culture of approaching new things quickly and flexibly.

With major changes recently in the quality and governance systems required of listed companies, we outside directors are expected to play a role and contribute to increasing both financial and non-financial aspects of corporate value. I am committed to helping through active communication at Board of Director and Governance Advisory Committee meetings, etc.



Yukiko Machida
Outside Director

Value Creation Foundation

A robust governance structure is vital for consolidated and sustainable growth in our corporate value.

At the YUASA TRADING Group, directors and management are holding exhaustive discussions from a medium to long-term perspective to share and give concrete form to our corporate vision.

We will also prepare for future risks to ensure our corporate activities are built on an unshakeable foundation by having high business ethics in the entire company.

List of Officers

(as of June 26, 2024)



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. Furthermore, since becoming our president and representative director in April, 2017, he has shown great leadership skills that we believe will be instrumental in growing the company and the YUASA TRADING Group from hereon in.

3 Mamoru Hamayasu

Managing Director
Supervisory Manager of Sales Division
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
- Apr. 2024 Managing Director, Executive Officer, Supervisory Manager of Sales Division and Chief General Manager of Industrial Market Headquarters of the Company (incumbent)

Reason for election

Mr. Mamoru Hamayasu has a thorough knowledge of industrial equipment, tools and machine tools areas with a wealth of experience and achievements, having served as Executive Officer and Senior Executive Officer for the YUASA TRADING Group, as Representative Director of its overseas subsidiaries and as Managing Director, Executive Officer and General Manager of the Industrial Market Division.

2 Kenichi Tanaka

Representative Director
Senior Managing Director
Supervisory Manager of Management Administration

- 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
- April 2024 Representative Director, Senior Managing Executive Officer with overall responsibility for corporate administration and the Group, Chairman of the Export Control Committee, Chairman of the Ethics and Compliance Committee, and Chairman of the Internal Control Committee
- Jun. 2024 Representative Director, Senior Managing Executive Officer with overall responsibility for corporate administration, the region and Group, Chairman of the Export Control Committee, Chairman of the Ethics and Compliance Committee, and Chairman of the Internal Control Committee (incumbent)

Reason for election

Mr. Kenichi Tanaka has a thorough knowledge of the company's business having served as Senior Managing Director, Executive Officer and General Manager of Living Environment Market Headquarters, and as General Manager of Corporate Administration he has worked to strengthen governance of the company and the YUASA TRADING Group and reinforce our business foundation.

4 Takaomi Omura

Director
Deputy General Manager of Sales Division
Chief General Manager of Construction Market Headquarters

- Oct. 1993 Joined Macros Co., Ltd. (currently YUASA MACROS CO., LTD.)
- Apr. 2002 General Manager of the Administration Department of Macros Co., Ltd.
- Apr. 2012 Director, General Manager of Administration Department of YUASA MACROS CO., LTD.
- Apr. 2015 Representative Director, President of YUASA MACROS CO., LTD.
- Apr. 2018 Executive Officer, General Manager of Construction Materials Division of the Company
- Apr. 2023 Senior Executive Officer, Chief General Manager of Construction Market Headquarters of the Company
- Jun. 2023 Director, Executive Officer, Chief General Manager of Construction Market Headquarters of the Company
- Apr. 2024 Director, Executive Officer, Deputy General Manager of Sales Division and Chief General Manager of Construction Market Headquarters of the Company (incumbent)

Reason for election

Mr. Takaomi Omura has thorough knowledge of the construction materials and building exterior departments and a wealth of experience and achievements, having served as Director, Executive Officer and General Manager of the Construction Market Division, and as Representative Director, President & CEO of the Company subsidiary, YUASA MACROS CO., LTD.

List of Officers (as of June 26, 2024)

5 Maresuke Takeo

Director
Chief General Manager of Living Environment Market Headquarters

- Apr. 1991 Joined the Company
- Apr. 2012 Representative Director and President, MARUBOSHI Co. Ltd.
- Apr. 2015 Vice Assistant General Manager of Living Environment Division (Eastern & Western Areas)
- Apr. 2018 Deputy General Manager of Living Environment Division (Eastern & Western Areas)
- Apr. 2019 General Manager of Living Environment Division (Western Area)
- Apr. 2020 Executive Officer, General Manager of Living Environment Division (Western Area) of the Company
- Apr. 2022 Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company
- Apr. 2024 Senior Executive Officer and General Manager of Living Environment Division, and General Manager of the Smart Energy Division
- Jun. 2024 Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters and the Smart Energy Division of the Company (incumbent)

Reason for election

Mr. Maresuke Takeo has thorough knowledge of the housing, air and fluidic control systems departments and a wealth of experience and achievements, having served as General Manager of the Living Environment Headquarters (Eastern Area) and as Senior Executive Officer of Living Environment Market Headquarters.

8 Miki Mitsunari

Outside Director

- Apr. 1994 Joined TOKYU LAND CORPORATION
- Feb. 2001 Joined Fuji Sogo Research Institute (currently Mizuho Research & Technologies, Ltd.)
- Sep. 2011 President of FINEV, Inc. (incumbent)
- Mar. 2020 Outside Director of Funai Soken Holdings Inc. (retired in March 2023)
- Jun. 2020 Director of Japan Accreditation Board (part time) (incumbent)
- Mar. 2020 Board Director of YAMADA HOLDINGS CO., LTD. (incumbent)
- Jun. 2022 Board Director of Solasto Corporation (incumbent)
- Jun. 2023 Outside Director of the Company (incumbent)

Reason for election

Ms. Miki Mitsunari has been engaged in consulting work for the SDGs and corporate ESG for many years, has a high level of insight as director of a public institution and has been engaged in management of her own consulting company. Due to these qualities, the Company decided that she can be expected to take on a supervisory and advisory function from an independent and objective standpoint as an Outside Director.

11 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 Full-time 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.

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.

9 Yukiko Machida

Outside Director

- Dec. 2009 Registered as an Attorney at Law (Daini Tokyo Bar Association)
Joined Shin-Yotsuya Law Offices
- Jun. 2012 Established Itsumi & Machida Law Offices
Partner of the same firm (incumbent)
- Apr. 2017 Deputy Chair of Daini Tokyo Bar Association Labor Issues Review Committee (incumbent)
- Aug. 2023 Outside Director of Toyo Electric Mfg. Co., Ltd. (incumbent)
- Oct. 2023 Member of Tokyo Disputes Coordinating Committee (incumbent)
- Jun. 2024 Outside Director of the Company (incumbent)

Reason for election

As Ms. Yukiko Machida has experience as an Outside Director of Toyo Electric Mfg. Co., Ltd. and a wealth of experience and achievements as an attorney, the Company decided that she can be expected to take on supervisory and advisory roles from an independent and objective standpoint.

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.

7 Yoshiro Hirai

Outside Director

- Apr. 1984 Joined the former ITOKI Co., Ltd.
- Jul. 2009 General Manager, Human Resources Department of ITOKI CORPORATION
- May 2012 General Manager, Marketing Strategy Department Group of ITOKI CORPORATION
- Jan. 2013 Executive Officer and General Manager, Marketing Strategy Department Group of ITOKI CORPORATION
- Jan. 2015 Executive Officer of ITOKI CORPORATION
- Mar. 2015 President of ITOKI CORPORATION
- Mar. 2022 Special Advisor of ITOKI CORPORATION (retired in March 2023)
- Jan. 2023 Representative Director, President of OpenWorking Inc. (incumbent)
- Jun. 2023 Outside Director of the Company (incumbent)

Reason for election

Mr. Yoshiro Hirai has been engaged in the management of ITOKI CORPORATION 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.

10 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.

13 Chinami Kajo

Outside Audit & Supervisory Board Member

- Apr. 1986 Registered as an Attorney at Law (Daini Tokyo Bar Association)
- Apr. 2004 Court Adjudicator of Tokyo District Court (until March 2006)
- Apr. 2006 Court Adjudicator of Tokyo Family Court (until March 2016)
Established Athena Law Office
Partner of Athena Law Office (incumbent)
- Apr. 2016 Vice Chairman of Daini Tokyo Bar Association (until March 2017)
Director of Japan Federation of Bar Associations (until March 2017)
- Jun. 2023 Outside Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

As Ms. Chinami Kajo has specialized knowledge and experience as an Attorney at Law, we believe that she can utilize her neutral position to strengthen the company's audit and supervisory systems.

Corporate Governance

Basic Approach to Corporate Governance

As a social entity, the YUASA TRADING Group 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.

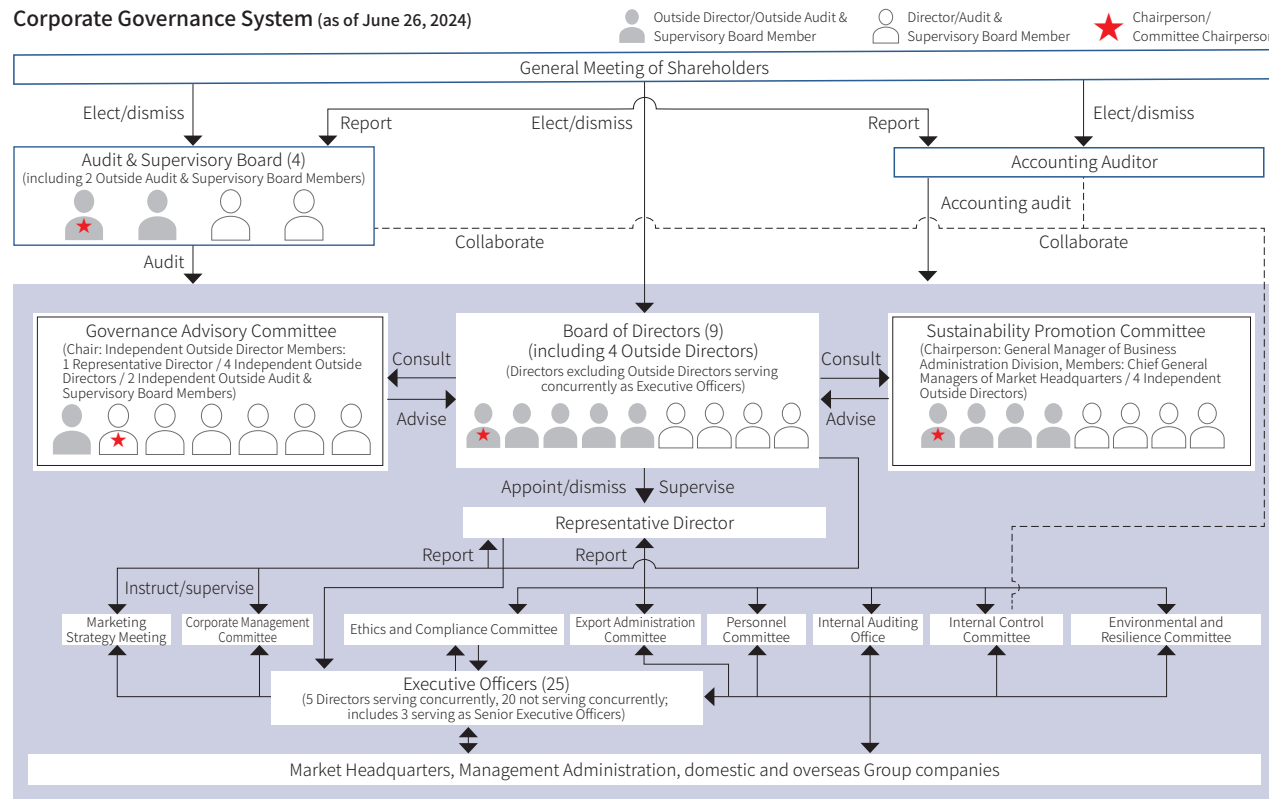
The YUASA TRADING Group is a large conglomerate comprised of 41 affiliated companies*, including 29 consolidated subsidiaries and one equity method affiliate. However, centered on YUASA TRADING, the Group maintains close cooperation and strives for disciplined company management that improves the value of the overall corporate group based on the policies of our governance system.

* As of May 31, 2024

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 four 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.

Corporate Governance System (as of June 26, 2024)



Timeline of Corporate Governance Strengthening Efforts

FY2023

- Reviewed of agenda items to be discussed by the Board of Directors (strengthened the monitoring function of the Board of Directors)

FY2022

- Continued reducing cross-shareholdings
- Reviewed of agenda items to be discussed by the Board of Directors (strengthened the monitoring function of the Board of Directors)

FY2021

- Continued reducing cross-shareholdings
- Determined remuneration for individual Directors at the Board of Directors (canceled re-entrustment to the Representative Directors)
- Strengthened the monitoring function of the Board of Directors
- Increased the number of Outside Directors (Outside Directors account for over one third of all Directors)

FY2020

- Reduced strategic shareholdings
- Strengthened the monitoring function of the Board of Directors

FY2019

- Elected a female Independent Outside Director
- Established Governance Advisory Committee centered on Independent Outside Officers
- Eliminated advisor system

FY2018

- Introduced performance-linked share awards

FY2017

- Elected one substitute Outside Director

FY2015

- Elected two Independent Outside Directors

Corporate Governance

Evaluating the Operation and Effectiveness of the Board of Directors

Operation of the 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. Directors with expertise in internal operations and Outside Directors with extensive experience and insight in corporate management supervise and provide advice from an objective standpoint on important management decisions in a specialized and wide-ranging business environment, fulfilling their responsibilities such as flexible decision-making and supervision.

In order to further strengthen corporate governance and ensure management transparency, the company designated four 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.

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 (self-evaluation) 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.

We recognize the need to continuously improve the effectiveness of the Board of Directors by identifying issues, as well as by spreading awareness of the current state of affairs. Based on the questionnaire's findings which analyzed and evaluated the operation of Board of Directors meetings, we will review the criteria for Board of Directors meetings as appropriate, and continue to make improvements that enhance their functions.

Implementation Overview of "Questionnaire on the Effectiveness of the Board of Directors"

Evaluation Method

- Written questionnaire (5-point scale and free response)

Evaluation Items

- Operation and agenda of Board of Directors meetings (12 items in total)

Results of FY2022 Effectiveness Evaluation

- For many items, the average score in the 5-point evaluation exceeded 3.5, and we do not think there are any major problems with the effectiveness and operation of the current Board of Directors.
- An overview of the questionnaire results was reported to the Board of Directors, and based on the hearing results, measures to further improve the effectiveness are being considered and implemented. FY2023 Initiatives Based on Evaluation Results

FY2023 Initiatives Based on Evaluation Results

- Based on the evaluation findings and the principle of "separating oversight and execution", we revised criteria for Board of Directors meetings as part of building an agile business execution structure by transferring power to the executive side, to enrich discussions on management and oversight of Board of Directors meeting functions.

Term of Office, Attendance at Board of Directors Meetings, and Number of Company Shares Held

	Term of Office as a Director	Number of Board of Directors Meetings Attended (FY2023)	Number of Company Shares Held (as of June 30, 2024)
Hiroyuki Tamura	14 years	14/14	8,900 shares
Haruo Sanoki*1	11 years	14/14	—
Kenichi Tanaka	10 years	14/14	7,200 shares
Mamoru Hamayasu	2 years	14/14	2,100 shares
Takaomi Omura*2	1 year	10/10	600 shares
Maresuke Takeo	—	Newly appointed	800 shares
Shinzo Maeda	9 years	14/14	—
Kyosuke Kimura*1	3 years	13/14	—
Yoshiro Hirai*2	1 year	10/10	—
Miki Mitsunari*2	1 year	9/10	—
Yukiko Machida	—	Newly appointed	—

*1 Term of office ended at the conclusion of the General Meeting of Shareholders held in June 2024

*2. Denotes attendance record after taking up their post on June 23, 2023

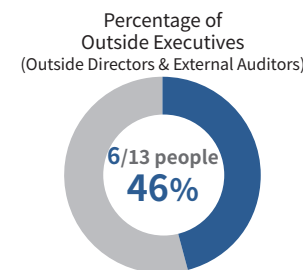
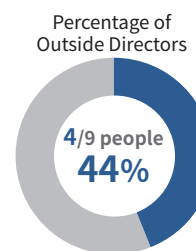
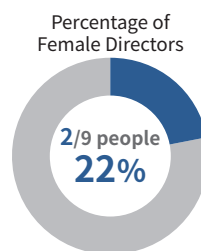
Term of Office, and Attendance at Audit & Supervisory Board Meetings

	Term of Office as an Audit & Supervisory Board Member	Number of Audit & Supervisory Board Meetings Attended (FY2023)
Yoshiyuki Furumoto	6 years	14/14
Takeshi Maeda	2 years	14/14
Susumu Tsuruta*3	13 years	4/4
Mitsuhiro Honda	6 years	13/14
Chinami Kajo*4	1 year	10/10

*3 Term of office ended at the conclusion of the General Meeting of Shareholders held in June 2023

*4 Denotes attendance record after taking up their post on June 23, 2023

Board of Directors (as of June 26, 2024)



Corporate Governance

Initiatives to Ensure the Effectiveness of Governance (Board of Directors)

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						
Kenichi Tanaka	Representative Director, Senior Managing Director Supervisory Manager of Management Administration						
Mamoru Hamayasu	Managing Director Supervisory Manager of Sales Division Chief General Manager of Industrial Market Headquarters						
Takaomi Omura	Director Deputy General Manager of Sales Division Chief General Manager of Construction Market Headquarters						
Maresuke Takeo	Director Chief General Manager of Living Environment Market Headquarters						
Shinzo Maeda	Outside Director						
Yoshiro Hirai	Outside Director						
Miki Mitsunari	Outside Director						
Yukiko Machida	Outside Director						

* The above table lists up to four areas in which a Director is expected to have some expertise, based on their past experience. It is not an exhaustive list of all the expertise and experience the Director possesses

Approach to Board Size, Director Selection Criteria and Diversity

The company's Articles of Incorporation stipulate that the number of Directors shall not exceed ten (10) in the context of maintaining a Board of Directors. In addition, the criteria for appointment of Directors is without regard to gender, race, professional background or age, and that they shall have high ethical standards, as well as outstanding character, insight, ability and a wealth of experience. At the 145th Ordinary General Meeting of Shareholders held on June 26, 2024, nine directors (including two women) were elected to strengthen the executive structure, with two new directors appointed to increase our sustainable growth and enhance our medium-to long-term corporate value. Also, more than a third of the board are outside directors, with two having management experience at other listed companies, and one a current executive.

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.

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.

Strengthening Group Governance

In order to strengthen control over domestic consolidated subsidiaries, YUASA BUSINESS SUPPORT has been entrusted with their accounting processing. In addition, we have introduced an overseas business monitor for the purpose of strengthening financial monitoring, and have prepared a management book specializing in overseas consolidated subsidiaries.

Corporate Governance

Efforts to Ensure Effective Governance (Audit & Supervisory Board, Advisory Board)

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). In accordance with the auditing policies and plans established by the Audit & Supervisory Board, each Audit & Supervisory Board Member attends Board of Director and other important meetings, listens to reports from directors and others, inspects important decision-making documents, etc in order to strictly audit directors in the execution of their duties. In addition, the Company examines the maintenance and operation of the internal control system and verifies its consistency and soundness, while investigating the legality, appropriateness, and efficiency of business operations by collaborating with the Internal Audit Department on regular reports, closely sharing information with accounting auditors, collaborating with the Ethics and Compliance Committee and the Internal Control Committee, having corporate auditors perform site visits to each facility, and by investigating each company, including affiliated ones.

Cooperation between Accounting Auditors and the Internal Audit Department

Each corporate and accounting auditor holds meetings as necessary to exchange information on audits, and each corporate auditor works closely with the accounting auditor by, for example, accompanying the accounting auditor on their site visits, thereby enhancing audit practices and ensuring the audit is carried out efficiently. Although the Internal Audit Department, which reports directly to the Representative Director and President, is in charge of internal audit operations, it also conducts audits of internal departments based on internal audit plans to ensure that each department are executing their duties properly. The results are reported approximately once a month to the Audit & Supervisory Board in the form of internal audit reports, and discussions are held between the parties concerned as necessary.

Audit & Supervisory Board Structure (as of June 26, 2024)

Audit & Supervisory Board Member	Yoshiyuki Furumoto
Audit & Supervisory Board Member	Takeshi Maeda
Independent Outside Audit & Supervisory Board Member	Mitsuhiro Honda
Independent Outside Audit & Supervisory Board Member	Chinami Kajo

Governance Advisory Committee

To strengthen its governance, the company has established a Governance Advisory Committee chaired by an independent Outside Director as a voluntary advisory body. 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 eight times in the fiscal year ended March 31, 2024 and reported to the Board of Directors on the following matters.

Main Items for Discussion

- Determination of individual basic remuneration and bonuses for Directors
- Election of nine directors and appointment of accounting auditor proposed at the 145th Ordinary General Meeting of Shareholders
- Conclusion of Directors and Officers Liability Insurance
- Changes to the Board of Directors resolution/deliberation standards
- Revisions to the Corporate Governance Report (Policies aiming to achieve cost of capital and management awareness of share prices, etc)

Composition of the Governance Advisory Committee (as of June 26, 2024)

Independent Outside Director	Shinzo Maeda (Committee Chairperson)
Independent Outside Director	Yoshiro Hirai
Independent Outside Director	Miki Mitsunari
Independent Outside Director	Yukiko Machida
Independent Outside Audit & Supervisory Board Member	Mitsuhiro Honda
Independent Outside Audit & Supervisory Board Member	Chinami Kajo
Representative Director, Senior Managing Director	Kenichi Tanaka

Achieving Cost of Capital and Management Awareness of Share Prices

Our own calculations assume a 5.88% to 6.57% cost of capital for the fiscal year ending March 31, 2024.

The medium-term management plan aims to achieve an ROE that exceeds this level, with the actual rate for the fiscal year ending March 31, 2024 being 12.0%. In addition to increasing profitability and growth, we will continue our efforts to reduce capital costs by strengthening public and investor relations.

Sustainability Promotion Committee

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 YUASA TRADING 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 YUASA TRADING Group's sustainability management
- (4) Matters for consultation from the Board of Directors

Composition of the Sustainability Promotion Committee (as of June 26, 2024)

Supervisory Manager of Management Administration	Kenichi Tanaka (Committee Chairperson)
Chief General Manager of Industrial Market Headquarters	Mamoru Hamayasu
Chief General Manager of Living Environment Market Headquarters	Maresuke Takeo
Chief General Manager of Construction Market Headquarters	Takaomi Omura
Independent Outside Director	Shinzo Maeda
Independent Outside Director	Yoshiro Hirai
Independent Outside Director	Miki Mitsunari
Independent Outside Director	Yukiko Machida

Corporate Governance

Remuneration for Directors and Other Officers

Total Amount of Remuneration, Total Amount of Remuneration by Type, and Number of Recipient Directors and Other Officers Indicators
(results for fiscal year ended March 31, 2024)

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.	
Director	244	138	74	31	6
Audit & Supervisory Board Member	49	49	-	-	2
Outside Director	45	45	-	-	5
Outside Audit & Supervisory Board Members	20	20	-	-	3
Total	360	254	74	31	16

*1 The above table includes two directors (one of whom was an outside director) who resigned at the conclusion of the 144th Ordinary General Meeting of Shareholders on June 23, 2023, and one external auditor.

*2 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).

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

*4 Total amount of remuneration for Directors (excluding Outside Directors) does not include the ¥53 million (including bonuses) in employee wages for Directors who serve concurrently as employees.

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

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: Comprised of bonuses and performance-linked stock-based compensation.

- 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 were used for evaluations in the Medium-term Management Plan "Growing Together 2026" that ended in FY2025.

Evaluation indicator (standard)	Evaluation weight	Performance linked factor
Consolidated net sales (¥600.0 billion)*	1/3	0~2.0
Consolidated ordinary profit (¥20.0 billion)	1/3	0~2.0
Profit attributable to owners of parent (¥13.2 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
¥660.0 billion or more	¥26.0 billion or more	¥17.2 billion or more	2.0 (upper limit)
¥600.0 billion	¥20.0 billion	¥13.2 billion	1.0
¥540.0 billion or less	¥14.0 billion or less	¥9.3 billion or less	0 (lower limit)

Coefficient Related to Performance-linked Compensation for the Fiscal Year Ended March 31, 2023, in the Final Year of the Medium-term Management Plan "Growing Together 2023"

Performance indicators	FY2022 results	Evaluation weight	Performance linked factor (actual values)
Consolidated net sales (before revenue recognition)	¥523.8 billion	1/3	0.6
Consolidated ordinary profit	¥15.3 billion	1/3	0.7
Profit attributable to owners of parent	¥10.0 billion	1/3	0.5

* The performance-linked coefficient for performance-linked compensation for the fiscal year ended March 31, 2023, the final year of the Medium-term Management Plan "Growing Together 2023," was 0.6 based on the actual values of the performance evaluation indicators

Corporate Governance

Dialogue with Stakeholders

Basic Philosophy

In order to achieve the sustainable growth of the company and increase its corporate value over the medium to long term, the company promotes constructive dialogue with shareholders, clearly explains its management policies in an easy-to-understand manner, and strives to gain the understanding of shareholders.

(1) Appointment of a Member of Management or a Director to Oversee Overall Dialogue

The Director in charge of Management Administration oversees overall dialogue with shareholders, and through various initiatives, such as earnings briefings by the Representative Director, President & CEO, the company strives to proactively engage in constructive dialogue with stakeholders.

(2) How Departments Work Together to Support Dialogue

Each department in the Management Administration Division actively collaborates with each other to share IR information and knowledge, examine the direction of IR, and prepare disclosure materials.

(3) Enhancement of Investor Briefings and IR Activities

As an opportunity to explain our business and managerial policy, in principle, financial results briefings for analysts, institutional and private individual investors are held twice a year on a regular basis. In addition, we are actively engaged in IR activities, such as setting up opportunities for meetings with suitable institutional investors.

(4) Feedback of Shareholder Opinions to the Company

Opinions, etc. obtained through dialogue with shareholders are summarized as appropriate and fed back to the management team and relevant departments in an effort to disseminate and share information.

(5) Insider Information Management during Dialogue

Rules for the management of insider information (Insider Trading Prevention Rules, and Information Security Policy Rules) have been established and are managed. In addition, the Management Administration Division, which serves as the point of contact, is fully aware of insider information and fair disclosure rules when communicating with shareholders, and responds accordingly.

Toward an Open General Meeting of Shareholders

From the perspective of ensuring sufficient time for shareholders and institutional investors to consider proposals, the company strives to accelerate the delivery of convocation notices for the Ordinary General Meeting of Shareholders and distributes them on-demand for the purpose of disclosing information to as many stakeholders as possible.

Dialogue with Institutional Investors and Analysts

The company disseminates information to shareholders and investors around the world by holding financial results briefings online, providing video explanations (financial results for each fiscal year, medium-term management plans, etc.) through the company's website, and publishing factbooks and other materials.

In addition, individual IR meetings are held from time to time on a wide range of topics, such as the progress of management targets and priority strategies, financial standing and shareholder return policies, and initiatives to promote sustainability and achieve non-financial KPIs, with importance attached to them as opportunities to receive valuable opinions and impressions from the market and external parties regardless of the ownership status of the company's shareholders.

In FY2023, a total of 18 IR meetings were held with institutional investors and analysts in Japan and overseas.

Our Answers to Your Main Questions

Your questions	Answers
How do you anticipate the roll-out of EV (electric vehicles) to affect business?	While we anticipate a reduction in demand for machine tools and cutting instruments for existing ICEs, we expect business opportunities in the industrial, living environment and construction sectors of our core business, for example, the creation of demand for new manufacturing lines and promulgation of battery charging and power supply equipment.
Do you have policies and criteria for acquiring your own shares?	In principle, return of profits to shareholders is done through dividends, and although we have not established quantitative criteria for determining whether or not to acquire our own shares, we will be agile when considering how best to deliver a return to shareholders in light of capital efficiency and other factors.
Do you have criteria related to selecting and deciding on target companies for mergers and acquisitions?	We conduct our review as needed both in Japan and overseas, on the basis of whether the target company that joins the YUASA TRADING Group will contribute to our "core business growth" and "promotion of our growth strategy", and whether this will lead to enhanced engineering capability that can add further value to the company.

Measures to Instill Evaluations from the Capital Market within the Company

The feedback obtained through communication with investors is shared with management and related internal departments, and is used as valuable input in considering future management policies and elements to be disclosed.

In our medium-term management plan "Growing Together 2026", based on the growing needs of investors and capital markets and, in addition to the "33% shareholder return" indicator, we have set a new KPI to "maintain a DOE (dividend on equity) of 3.5% or higher" as an indicator that demonstrates a stable dividend policy, and have decided to disclose the status of our efforts to achieve this.

Corporate Governance

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.

Ethics and Compliance System

We have established an Ethics and Compliance Committee that is under the direct control of the Representative Director and President comprising an executive and general manager who oversee the Business Administration Division. 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 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.

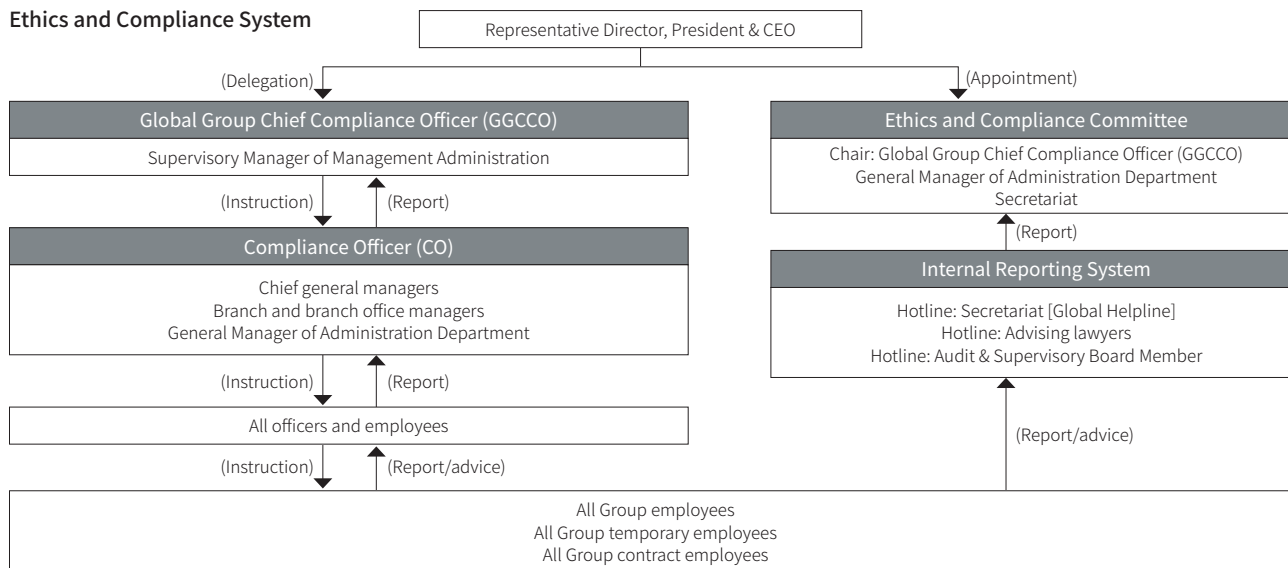
Response Against Anti-social Forces

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 (Tokubouren) 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 the YUASA TRADING Group employees (implemented once a year). In addition, through follow-up training for young employees (two to three years after joining the company) with practical experience, we strive to continuously instill awareness of legal compliance from a frontline perspective.

Ethics and Compliance System



Corporate Governance

Risk Management

Risk Management System

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.

Overview of Operational Status

The Risk Management Supervisory Manager implements comprehensive and cross-sectional risk management and works to strengthen business continuity capabilities after appropriately identifying and assessing the risks associated with business activities. Specifically, the Group classifies and evaluates risks based on management strategies and operational processes, identifies key risks that may have a significant impact on the YUASA TRADING Group's financial position, operating results, and cash flow conditions, and ascertains the degree of impact of those risks.

Environmental and Resilience Committee

We formulate environmental policies aimed at maintaining and improving the global environment through our business activities, and formulate a business continuity plan (BCP) in anticipation of situations that may cause significant damage, such as large-scale disasters and the outbreak of new viruses.

Specifically, through ISO and BCP activities, we share information on environmental laws and regulations, formulate and develop disaster prevention plans, respond to disasters, and conduct drills.

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.

Key Risks Assumed

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

Risk item	Overview	Countermeasures to mitigate risk
Economic fluctuation risk	Risk in the event of unforeseen changes in the economic trends in industrial equipment- and construction-related investments	We are focusing on the expansion of new areas and new markets outside Japan
Share price fluctuation risk	Risk in the event of changes in share prices	We are reviewing our shareholdings as appropriate in accordance with our "Securities Investment Guidelines"
Interest rate fluctuation risk	Risk in the event of changes in the interest rate for interest-bearing debt with variable interest rates	Convert interest-bearing debt from variable interest rates to fixed interest rates, etc., as appropriate
Credit risk	Risk in the event of credit extended to business partners inside and outside Japan involving credit losses risk	We are implementing credit management in accordance with internal management regulations
Exchange rate fluctuation risk	Risk in the event of changes in the exchange rate in import and export transactions	We are executing exchange forward contracts for import and export transactions in foreign currencies
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	In addition to establishing an ethics policy and code of conduct, we have established an Ethics and Compliance Committee, which is under the direct control of the Representative Director, to ensure thorough compliance and provide guidance throughout the Group
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	In order to promote information sharing and business efficiency, we have constructed and operated an information system, and in order to ensure the safety of information system operations, we have established information security operating rules and are thoroughly tackling crisis management responses
Product liability risk	Risk in the event of product defects that lead to a large-scale recall or product liability compensation	We are engaged in the manufacture and sale of household appliances, and we take every precaution to ensure the quality of these products, as well as carrying product liability insurance
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	We are responding carefully based on various information regarding the country risks that can be anticipated, and making efforts to manage and hedge risks, such as carrying trade insurance
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	In order to continue our business activities, we have formulated a business continuity plan (BCP), introduced a safety confirmation system, prepared a disaster countermeasure manual, and implemented earthquake countermeasures, and are conducting disaster drills, etc.
Climate change risk	Risk of stronger legal regulations and regulations on provision of products associated with climate change	Through all of our business activities, the YUASA TRADING Group is working to solve social issues by promoting an environmental business that sells and disseminates equipment and systems that contribute to the global environment both domestically and overseas, with the aim of achieving sustainable development that aims for a balance between maintaining a sound global environment and achieving economic growth

Internal Control Committee

We have established internal controls for the entire YUASA TRADING Group, internal controls for the settlement of accounts, financial reporting processes and operational processes, and internal controls for overall IT and operational processes. In order to ensure the reliability of financial reporting, we identify risks that may lead to false statements, and take effective measures to reduce the occurrence of such risks for matters of high importance.

Segment Strategy

With society already changing, the YUASA TRADING Group must also adapt its business model.

We will present how the YUASA TRADING Group's businesses are targeting change, and how that relates to its current performance, initiatives, and materiality.

Core Businesses

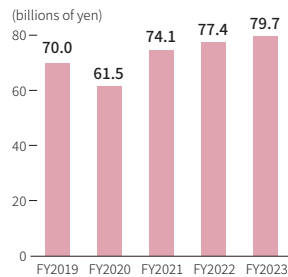
Industrial Market Headquarters

Industrial Equipment & Tools Division

With our industry-leading product lineup and consulting know-how, we promote smart factories at manufacturing sites.

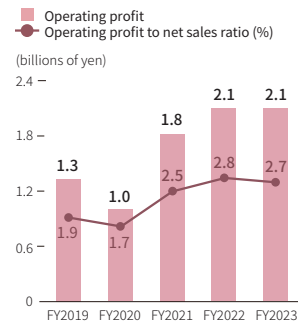


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sales of tools, industrial equipment and materials, control equipment, and logistics equipment

Relevant main materiality issues

- Promote Digital Business
- Support sustainable manufacturing and environment building
- Contribute to decarbonization of society through energy creation and saving know-how

Relevant main markets

- Manufacturing industries, including automobiles and semiconductor manufacturing plants
- All other manufacturing industries
- Distribution warehouses, food factories, etc.

Business environment analysis

Strengths	<ul style="list-style-type: none"> • Product lineup centered on tools, control, and logistics • Consulting capabilities based on many years of on-site know-how • E-commerce functionality (Growing Navi)
Opportunities	<ul style="list-style-type: none"> • Increased demand for carbon neutrality • Expansion of semiconductor market • Increased labor-saving investments due to declining birthrate and aging population • Increased business continuity plan (BCP) investment at factories
Risks	<ul style="list-style-type: none"> • Decline in supply capacity due to rapid decline in working population • Lower profit margins due to price competition • Entry into e-commerce from other industries

Measures in Medium-term Management Plan

Promote automation and labor saving at manufacturing sites

- Propose quality control and factory automation using robots, ICT (including local 5G), AI, etc.
- Propose high added value through AI and IoT functions in manufacturing, inspection, and logistics processes
- Propose products that can reduce power and manufacturing costs for electric vehicles (EVs) and semiconductor-related factories
- Further development and sales of original products (TSUNAGU Y-Fi, etc.)

Expand sales products by leveraging the Group's total coordination skills

- Expand sales channels for in-factory air conditioning and refrigeration equipment and industrial piping products
- Support manufacturing industries by proposing "on-site energy-saving" solutions
- Exercise TSUNAGU innovation through product development that captures market needs through data analysis

Vision and Related Initiatives

Offer integrated carbon neutral proposals

As all businesses, regardless of industry or sector, are now required to commit to carbon neutral, we are promoting our integrated carbon neutral proposals for our customers' factories, etc.

As well as our "energy creation and storage" proposals, such as solar power installations and storage cell units, we are working hard on our "energy-saving" proposals for reducing on-site electricity consumption, such as switching to LED lighting and high efficiency air-conditioning equipment in factories. We operate "ecom" (right photo), whose power-saving units have a track record of increasing energy efficiency and cutting energy consumption by reducing losses in power supply. We utilize our "environment creation" know-how and also contribute to realizing "on-site energy-saving" solutions in manufacturing fields such as factories.



Ecom are power-saving units that increase energy efficiency and reduce energy consumption.

Core Businesses

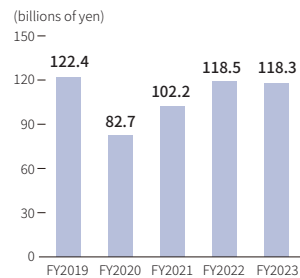
Industrial Market Headquarters

Machine Tools Division

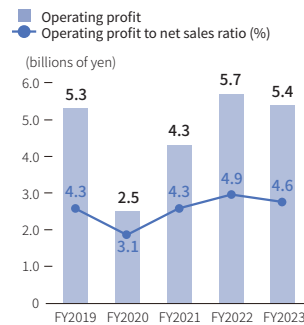
We will develop solutions that aim to solve social issues from the perspective of manufacturing support.



Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard

Operating profit /
Operating profit to net
sales ratio

Main business fields

- Sales of machine tools and general factory equipment

Relevant main materiality issues

- Promote Digital Business
- Support sustainable manufacturing and environment building
- Strengthen relationship with business partners (strengthen DX and logistics promotion in and outside the company)

Relevant main markets

- Automobile manufacturing (response to new energy vehicles [NEVs])
- Semiconductor manufacturing equipment
- Factory automation market
- All other manufacturing industries

Business environment analysis

Strengths	<ul style="list-style-type: none"> • Top-level machine tool sales capabilities in Japan • Strength of business partner network • Engineering capabilities through collaboration with Group companies
Opportunities	<ul style="list-style-type: none"> • Accelerated automation due to labor shortage and increased sales of DX and system products • Expansion of ultra-precision processing market due to advances in IT digital technology • Birth of new processing market with shift to EVs
Risks	<ul style="list-style-type: none"> • Market shrinkage due to population decline in Japan • Decline in supply capacity due to rapid decline in working population • Reduction of parts and changes in manufacturing methods due to shift to EVs

Measures in Medium-term Management Plan

Maintain and expand share of machine tool market

- Strengthen sales by selecting and concentrating on sales products
- Develop original products through alliances with manufacturers
- Promote expanded handling of peripheral equipment in pre- and post-processing procedures, such as parts inspection and measurement, and automation and labor-saving at manufacturing plants

Promote automation and labor saving at manufacturing sites

- Develop derivative products of Robo Combo, our original product
- Develop and build an integrated data measurement control system that uses IoT
- Promote solutions to support carbon neutrality (on-site energy-saving, energy generation, enhanced air conditioning in factories, etc.)
- Build DX solution (subscription) services for manufacturing

Vision and Related Initiatives

Original solutions that contribute to on-site personnel and labor savings

Amidst demands to address on-site personnel shortages, we are strengthening our proposals for original automated solutions that utilize the company network to contribute to labor and workload saving at construction site locations. Our “processing environment solution” connects the precision tool manufacturer Tsugami Co. Ltd with other manufacturers to provide a package of microfiltration + microfine bubble + processing machine + AE sensor by target substance, which are needed for processing brittle materials. This makes it possible to extend the lifespan of industrial tools, as well as save on labor in the processing of brittle materials, which has traditionally required a large workforce to monitor the machine. Also, “Robo Combo” (right photo) was developed in tandem with the YUASA TRADING Group’s Robot Engineering as a machine tool automated package that can be easily introduced, and we are working on developing and deploying derivative products.

Processing Environment Solution Documents Download
<https://www.yuasa.co.jp/contact/processing-download/>



“Robo Combo”, our machine tool automated package

Core Businesses

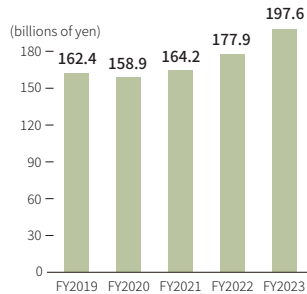
Living Environment Market Headquarters

Housing, Air & Fluidic Control Systems Division

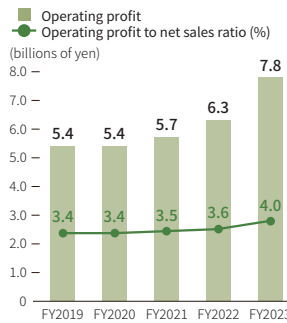
Utilizing our unique engineering functions, we provide total coordination of living and office environments.



Net sales



Operating profit / Operating profit to net sales ratio



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard
 * Due to organizational restructuring in FY2022, actual figures for FY2021 have been retrospectively applied

Main business fields

- Sale of tubing materials, air conditioning equipment, housing equipment, and renewable energy-related equipment

Relevant main materiality issues

- Support sustainable home building and environment building
- Strengthen relationship with business partners (strengthen logistics)
- Contribute to decarbonization of society through energy creation and saving know-how

Relevant main markets

- Piping product wholesalers and plant engineering companies
- Housing equipment stores, subcontractors and renovation contractors
- Developers, builders, construction companies, etc.

Business environment analysis

Strengths	<ul style="list-style-type: none"> ● Diverse product lineup centered on housing equipment, piping products, and air conditioning ● Ability to propose solutions by department specialized in environment and energy conservation ● Logistics capabilities
Opportunities	<ul style="list-style-type: none"> ● Expansion of renovation market ● Increased demand for carbon neutrality ● Acceleration of investment competition for achieving GX (Green Transformation) ● Increased demand in overseas markets
Risks	<ul style="list-style-type: none"> ● Decrease in demand for new housing due to population decline ● Soaring material prices ● Shortage of craftsmen due to decrease in working population ● Exchange rate fluctuations

Measures in Medium-term Management Plan

Expand functionality of existing businesses

- Strengthen and expand engineering capabilities/solution proposals
- Expand logistics functions/processing work in warehouses
- Expansion of accumulation functions
- Collaboration with Group companies

Promote Green Business

- Strengthen proposals for carbon neutrality through renewable energy and energy conservation in supply chain
- Expand sales of environmental energy products
- Establish businesses related to hydrogen energy

Vision and Related Initiatives

Address environmental issues and use functionality and technology to solve labor and workload shortages

As well as our energy-saving solutions and sales capacity in high-efficiency products, our division's strength is that we can offer solutions that take advantage of subsidies. Nowadays, companies are increasingly focused on the "quality of electricity" to achieve carbon neutrality, and the introduction of renewable energy is attracting further attention. At the YUASA TRADING Group, we combine solar power systems with a wide variety of storage batteries, for home and industrial use, to offer bespoke package solutions tailored to each site.

Moreover, we are progressing with labor and workload-saving initiatives through our air conditioner processing technology, aimed at solving personnel shortages caused by a decline in the working population since working practices in the construction industry were reformed in 2024. Normally, product processing is tailored to sites at the equipment installation stage, but we have three specialist air conditioning equipment engineers at our Kanto Distribution Center who process and tailor the products to each site before delivery.

This not only saves workforce and labor at the construction site, but also shortens the overall process. In FY2023, we provided air conditioning units with total heat exchangers and energy management systems for a new office building construction project, and achieved a 15% labor-saving compared to on-site fabrication, thus shortening the overall process.



Specialist engineer fabricating an air conditioning unit at our Kanto Distribution Center

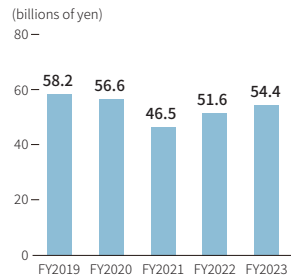
Core Businesses

Construction Market Headquarters

Building Supplies & Exterior Division

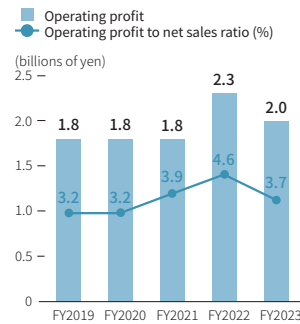
Leveraging our strength in the domestic market with our high share, we will expand our business by strengthening sales to public organizations and overseas.

Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.
* Due to organizational restructuring in FY2022, actual figures for FY2021 have been retrospectively applied.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale of construction materials, landscape materials/exterior, civil engineering materials, etc., design supervision and contracting for installation of external construction materials

Relevant main materiality issues

- Support sustainable environment building and town building
- Respond to climate change (realize a resilient society)
- Realize a safe and secure society through service with good products

Relevant main markets

- Exterior landscaping market
- Road, civil engineering and infrastructure construction markets
- Building hardware market

Business environment analysis

Strengths	<ul style="list-style-type: none"> • Leading exterior sales capabilities in Japan • Ability to propose solutions by department specialized in resilience • Ability to procure products from overseas
Opportunities	<ul style="list-style-type: none"> • Demand for renewal of social infrastructure • Urban redevelopment projects • Spread of transportation IoT • Increased demand for EVs and renewable energy-related products
Risks	<ul style="list-style-type: none"> • Increased procurement costs (rising prices, logistics problems in 2024, etc.) • Decreased number of housing starts due to population decline • Changes in competitive environment due to industry restructuring

Measures in Medium-term Management Plan

Strengthen sales by taking advantage of high market share

- Expansion of sales networks for public sector (railway and defense fields, redevelopment-related demand)
- Respond to demand for infrastructure renewal (measures for aging roads and bridges, accident repair, etc.)
- Demand for renovation of buildings and condominiums
- Expansion into Southeast Asia, with a focus on Thailand

High value-added proposals that connect manufacturers and products

- Propose solutions for social issues (utilization of idle land, disaster countermeasures, etc.)
- Develop SDG-related products (solar car ports, timber products, etc.)
- Product development aimed at creating livable urban spaces (installation of parklets*, etc.)

* Resting facilities that utilize road space to create spaces for bustle, relaxation, and lingering

Vision and Related Initiatives

Creating new lifestyles under the theme of “solutions to social issues”

We are expanding the products and services handled by the Building Supplies & Exterior Division into business fields closely related to daily living, such as city blocks, commercial facilities, buildings, and residences. The YUASA TRADING Group hopes to propose new lifestyles offering a sense of comfort and convenience through solutions to familiar social issues.

For example, we are focusing on combining functionality and design to develop products that can be used in factories, commercial facilities and residences, such as “solar car/motorbike ports” equipped with solar panels, or “illuminated bollards (car buffer stops)” that make nighttime sidewalks brighter.

We are also helping to plan the “Walkable” project proposed by the Ministry of Land, Infrastructure, Transport and Tourism, which aims to create pedestrian spaces where people can rest. We continue to propose new value in overall urban development by total coordination of commercial products, linking building materials with exterior manufacturers, to provide places for relaxation, create a lively atmosphere and ensure all aspects of safety.



A Proof of Concept “Walkable” simulation conducted at Shinjuku St. West Exit

Core Businesses

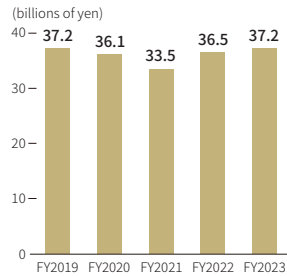
Construction Market Headquarters

Construction Machines Division

We will create new added value by connecting “goods” and “services,” and contribute to sustainable town building.

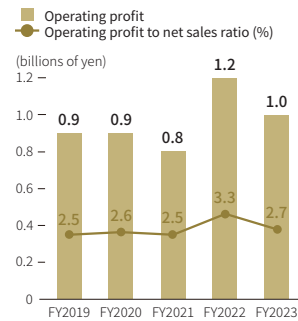


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale, leasing and rental of construction machinery and materials, and manufacture, sale and rental of container houses

Relevant main materiality issues

- Support cyclical society (rental)
- Support sustainable environment building and town building
- Promote Digital Business

Relevant main markets

- Construction (construction, road construction, plants, etc.)
- Manufacturing (factories, construction machinery/materials manufacturers, etc.)
- Construction equipment rental
- Logistics and warehousing
- Reuse Market
- Service industry such as event companies

Business environment analysis

Strengths	<ul style="list-style-type: none"> ● Nationwide network based on rental company associations (YRA) ● Expand the (YUMAC) auction business, such as used sales, etc. ● Pre-shipment inspection function for imported products
Opportunities	<ul style="list-style-type: none"> ● Demand for infrastructure development to respond to disasters, disaster prevention, and mitigation ● Digitalization, robotics development, and use of AI at construction sites ● Improvement of working environment (reduced workload and labor saving) ● Expand efforts to visualize greenhouse gas emissions
Risks	<ul style="list-style-type: none"> ● Decline in number of new construction projects ● Manpower shortages due to a decline in the working population ● Decrease in public works

Measures in Medium-term Management Plan

Propose safety and environment solutions for the construction market

- Expand sales of construction machinery that lead to reduced workloads and labor saving at worksites
- Propose carbon neutral products and materials (electric-powered construction machinery, solar-powered container houses, etc.)
- Deepen the use of digital technologies (drones, AI/IoT, etc.)

Further expansion of sales partners and sales opportunities

- Enhance promotion of construction sales and wholesale rentals to Southeast Asia
- Expand resilience-related products into public and private sectors
- Expand reuse of second-hand construction and farm machinery, etc.

Vision and Related Initiatives

Promote “goods” and “services” offerings to support environmental measures at construction sites and reinforce our product lineup

In collaboration with Takenaka Corporation, we have developed a system to visualize CO₂ emissions.

There is a growing need to visualize CO₂ emission volumes at construction sites as a gateway to promoting carbon neutral initiatives in the construction industry. To do so, we need to control many emission sources, such as on-site energy use and the fuels that power various vehicles and machinery, but with society demanding that we address the “2024 problem” arising from tighter rules on limits to working hours at so-called construction and work sites, there are cases where personnel cannot be allocated to calculate these emissions. The advantage of this system is that it can be operated with minimal workload by combining automatic measurements using IoT devices with a centralized Cloud service control system. We are also progressing proposals to reduce CO₂ emissions through development of cutting-edge electric-powered construction machinery, such as VOLVO electric backhoes, AUSA electric forklifts, and Milwaukee Tools electric high-power tools. We will continue to propose streamlined solutions in the construction industry, from visualizing to counteracting CO₂ emissions while contributing both “goods” and “services” to environmental measures at construction works.



AUSA (Spain) tire-type forklift suitable for traveling on uneven ground

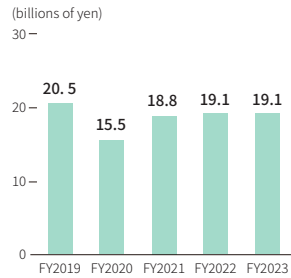
Core Businesses

Energy Division

We will realize a stable supply of energy suitable for a smart and decarbonized society.

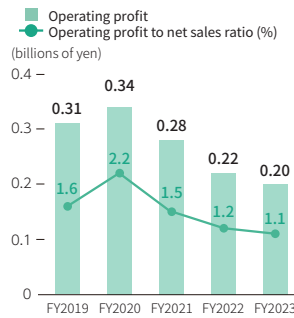


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sales of petroleum products (fuels for automobiles/marine vessels)
- Sales of products related to car care and maintenance, etc.

Relevant main materiality issues

- Realize a safe and secure society through service with good products
- Respond to climate change (realize a resilient society)
- Support cyclical society (rental and sharing)

Relevant main markets

- Gas station operation
- Car rental and used car sales markets
- Marine fuel market

Measures in Medium-term Management Plan

Enhanced service through gas stations

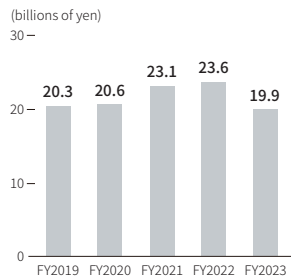
- Enhanced service maintenance
- Expanded installation of EV chargers
- Expanded services to reduce environmental impact, such as eco-vehicle inspections
- Expand the car rental business
- Regional platformization (insurance agency business, smartphone repair, etc.)

Other (Consumer Products & Lumber) Divisions

We will propose products that support a sustainable lifestyle.

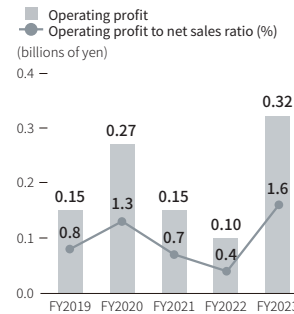


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale of consumer goods such as seasonal appliances and cooking appliances, as well as wood products

Relevant main materiality issues

- Create co-creation value – “TSUNAGU”
- Realize a safe and secure society through service with good products
- Respond to climate change (realize a resilient society)

Relevant main markets

- Consumer Products: Electronics mass merchandisers, home improvement centers, and online sales
- Lumber: Building material wholesalers, manufacturers, and forestry cooperatives

Measures in Medium-term Management Plan

Consumer Products: Increase awareness of Group company YUASA PRIMUS private brands

- Utilization of social media
- Promotion of product development based on user opinions

Lumber: Utilize Group network

- In collaboration with Group company YUASA LUMBER, expand use of lumber-based architecture and lumber products
- Total support for use of recycled wood (recycled lumber made from scraps during processing) (from collection to commercialization)

Key Financial Data

Securities Report

<https://www.yuasa.co.jp/en/ir/>

(fiscal year)

Financial Data (consolidated)	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021*	FY2022	FY2023
Net sales	millions of yen	442,213	441,723	442,042	446,335	461,749	493,627	491,348	432,185	462,725	504,806	526,569
Operating profit	millions of yen	9,518	9,815	10,357	10,923	11,402	12,517	11,871	8,983	11,880	14,599	14,723
Ordinary profit	millions of yen	9,782	10,353	11,039	11,704	12,149	13,437	12,804	10,011	11,744	15,382	15,737
Profit attributable to owners of parent	millions of yen	5,483	7,494	7,190	7,777	8,261	9,038	8,950	6,930	8,058	10,079	11,812
Total assets	millions of yen	205,669	204,897	202,891	216,984	235,022	247,747	237,071	237,487	259,413	271,218	290,989
Interest-bearing debt	millions of yen	22,296	11,935	4,972	3,117	3,138	3,048	4,290	4,472	3,709	3,691	7,421
Net debt to equity ratio	times	(0.10)	(0.37)	(0.45)	(0.47)	(0.46)	(0.44)	(0.49)	(0.42)	(0.54)	(0.51)	(0.34)
Net cash provided by (used in) operating activities	millions of yen	9,407	12,476	9,114	11,908	6,645	4,387	12,970	5,982	10,213	8,338	24,094
Net cash provided by (used in) investing activities	millions of yen	(880)	3,550	(589)	(3,652)	(1,355)	(873)	(2,843)	(3,509)	4,776	(2,845)	(34,240)
Net cash provided by (used in) financing activities	millions of yen	(11,782)	(11,810)	(8,982)	(5,501)	(2,418)	(3,182)	(3,509)	(3,713)	(3,553)	(6,890)	(478)
EPS (basic earnings per share)	yen	250.78	340.82	326.27	352.45	373.22	408.27	403.55	313.03	364.54	466.23	561.88
BPS (net assets per share)	yen	2,010.64	2,369.99	2,573.88	2,910.02	3,236.29	3,464.20	3,635.18	4,057.16	4,160.75	4,483.99	4,848.90
Dividend per share	yen	6	—	100	95	110	140	150	100	123	140	182
ROA (return on assets)	%	4.9	5.0	5.4	5.6	5.4	5.6	5.3	4.2	4.7	5.8	5.6
ROE (return on equity)	%	13.4	15.6	13.2	12.9	12.2	12.2	11.4	8.1	8.9	10.8	12.0
Equity ratio	%	21.4	25.5	28.0	29.6	30.5	30.9	34.0	37.7	35.5	34.9	35.0
Total payout ratio	%	23.9	24.9	30.6	27.0	29.5	34.3	37.2	31.9	33.7	67.0	34.9

* Net sales from FY2021 onward show figures after the application of the Revenue Recognition Accounting Standard

Non-financial Data

About the scope:

[Non-consolidated] YUASA TRADING CO., LTD.
[Group companies] Subsidiaries and affiliates
(excluding companies accounted for using the equity method)

ESG Data

<https://www.yuasa.co.jp/en/sustainability/esg/>



Environment-related Items

CO ₂ emissions (Scope 1 & 2)		Unit	FY2021	FY2022	FY2023
[Non-consolidated]	Scope1	t-CO ₂	943	1,025	995
	Scope2	t-CO ₂	1,261	1,232	813
	Scope1+2	t-CO ₂	2,204	2,257	1,808
[Group companies]	Scope1	t-CO ₂	—	3,020	3,094
	Scope2	t-CO ₂	—	1,405	1,431
	Scope1+2	t-CO ₂	—	4,425	4,526
[Non-consolidated + Group companies]	Scope1+2	t-CO ₂	—	6,682	6,335

CO ₂ emissions (Scope 3)		Unit	FY2021	FY2022	FY2023
[Non-consolidated]	Emissions related to logistics and data centers	t-CO ₂	688	639	631

Society [non-consolidated]

	Unit	FY2021	FY2022	FY2023
Number of employees* ¹ (figures in parentheses are consolidated)	persons	1,074 (2,489)	1,103 (2,533)	1,184 (2,621)
	(Male)	644	660	686
	(Female)	430	443	498
Number of employees in comprehensive work position	persons	786	795	800
	(Male)	754	762	768
	(Female)	32	33	32
Percentage of female employees in comprehensive work position	%	4.1	4.2	4.0
Percentage of female managers	%	1.5	1.9	2.0
New graduate employees (total)	persons	59	57	76
	(Male)	44	35	43
	(Female)	15	22	33
New graduate employees in comprehensive work position (total)	persons	48	39	46
	(Male)	43	35	43
	(Female)	5	4	3
Percentage of new graduate female employees in comprehensive work position	%	10.4	10.3	6.5
New graduate general office work employees (total)	persons	10	18	30
Percentage of permanent employees who are mid-career recruits	%	28.4	29.9	32.0
Number of employees with disabilities	persons	19	20	24

	Unit	FY2021	FY2022	FY2023
Full-time employees: Average annual income* ²	thousands of yen	—	7,950	8,195
	(Male)	—	9,479	9,877
	(Female)	—	5,315	5,570
Full-time employees: Percentage of average annual income received by females* ^{2,3}	%	—	56.1	56.4
Contract and part-time employees: Percentage of average annual income received by females* ²	%	—	53.9	49.4
All employees: Percentage of average annual income received by females* ²	%	—	55.4	55.8
Average age* ¹	years old	38.4	38.7	38.7
	(Male)	39.4	39.7	39.5
	(Female)	37.0	37.2	37.6
Average length of service* ¹	years	12.8	12.8	12.5
	(Male)	13.5	13.5	13.3
	(Female)	11.8	11.8	11.4
Percentage of return to work after childcare leave	%	100.0	100.0	96.3
Percentage of male employee taking childcare leave and leave for the purpose of childcare	%	34.3	78.1	72.5
Employees working shortened hours	persons	35	46	56
Percentage of taking paid leave* ¹	%	56.2	62.8	67.8
Average hours of labor* ¹	hours	1,977	1,955	1,934
Average time of office arrival (non-management employees)* ¹	time	8:26	8:28	8:29
Average time of leaving office (non-management employees)* ¹	time	18:29	18:27	18:22
Average time spent in office (excluding breaks) (non-management employees)* ¹	hours	9:02	8:58	8:52
Percentage of health checkups* ¹	%	100.0	100.0	100.0
Stress check rate* ¹	%	100.0	100.0	99.4
Number of fatalities* ¹	persons	0	0	0
Number of fatal incidents* ¹	cases	0	0	0
Number of negligent incidents of injury or death* ¹	cases	0	0	0
Number of occupational injuries* ¹	persons	0	0	0

*1: Excludes seconded employees *2: Excludes overseas seconded employees

*3: There is no wage difference between men and women who have the same role grade age and evaluation in the same job duties

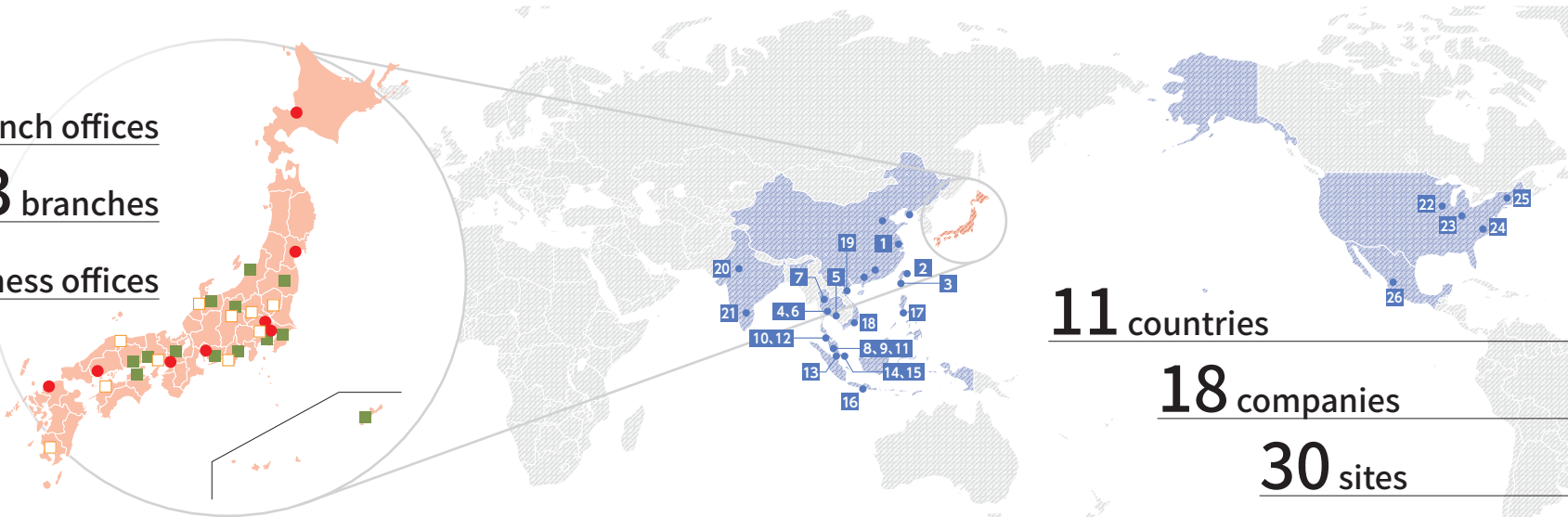
Governance

	Unit	FY2021	FY2022	FY2023
Number of Directors (including Outside Directors)	persons	8	8	9
	(Male)	7	7	8
	(Female)	1	1	1
Percentage of female Directors (including Outside Directors)	%	12.5	12.5	11.1

YUASA TRADING Group Network (as of May 31, 2024)

8 branch offices
13 branches
10 business offices

- Branch offices
- Branches
- Business offices



11 countries
18 companies
30 sites

Domestic Network

- | | | |
|-------------------------------------|-------------------------------|-----------------------------|
| ● Head Office / Kanto Branch Office | □ Nishi-Kanto Business Office | ■ Himeji Branch |
| ● Hokkaido Branch Office | ■ Yokohama Branch | ■ Okayama Branch |
| ● Tohoku Branch Office | ■ Shizuoka Branch | ■ Shikoku Branch |
| ■ Koriyama Branch | □ Hamamatsu Business Office | □ Matsuyama Business Office |
| ■ Niigata Branch | ■ Okazaki Branch | ● Chugoku Branch Office |
| ■ Nagano Branch | ● Chubu Branch Office | □ Yonago Business Office |
| □ Matsumoto Business Office | ■ Hokuriku Branch | ● Kyushu Branch Office |
| ● Kita-Kanto Branch Office | □ Kanazawa Business Office | ● Kagoshima Business Office |
| □ Takasaki Business Office | ■ Kyoto Branch | ■ Okinawa Branch |
| □ Utsunomiya Business Office | ● Kansai Branch Office | |
| ■ Higashi-Kanto Branch | □ Kobe Business Office | |

Group Companies in Japan

- | | | |
|-------------------------------|--------------------------------|------------------------------------|
| ● KOKKO CO., LTD. | ● SANEI CO., LTD. | ● MARUKEN SERVICE CO., LTD. |
| ● YUASA NEOTEC CO., LTD. | ● TAKACHIHO CORP. | ● YUASA NENRYO CO., LTD. |
| ● YOUR TECHNICA CO., LTD. | ● FUSHIMAN SHOJI CO., LTD. | ● CHUBU IBI CO., LTD. |
| ● ROBOT ENGINEERING CO., LTD. | ● YUASA QUOBIS CO., LTD. | ● YUASA SYSTEM SOLUTIONS CO., LTD. |
| ● NAKAGAWA KINZOKU CO., LTD. | ● URAYASU KOGYO CO., LTD. | ● YUASA BUSINESS SUPPORT CO., LTD. |
| ● YUASA PRIMUS CO., LTD. | ● YUASA LUMBER CO., LTD. | ● connectome.design inc. |
| ● YUKO CORPORATION | ● YUASA MACROS CO., LTD. | |
| ● MARUBOSHI CO., LTD. | ● FUJI QUALITY HOUSE CO., LTD. | |

Overseas Network

China

- YUASA TRADING (SHANGHAI) CO., LTD. ¹
[Headquarters] Shanghai
[Branches] Dalian Branch/Tianjin Branch/Suzhou Branch/Guangzhou Branch

Taiwan

- YUASA TRADING (TAIWAN) CO., LTD.
[Headquarters] Taipei ² [Branches] Taichung ³

Thailand

- YUASA TRADING (THAILAND) CO., LTD.
[Headquarters] Bangkok ⁴ [Branch] Sriracha ⁵
- YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD. ⁶
[Headquarters] Bangkok
- HENKO TECHNOLOGIES (THAILAND) CO., LTD. ⁷
[Headquarters] Pathum Thani

Malaysia

- YUASA MECHATRONICS (M) SDN. BHD. ⁸
- NICHIMA SEIKO REMANUFACTURING (M) SDN. BHD. ⁹
[Headquarters] Kuala Lumpur
- BME INDUSTRIES (M) SDN. BHD.
[Headquarters] Penang ¹⁰ [Branch] Kuala Lumpur ¹¹
- BME TECHNICS SDN. BHD. ¹²
[Headquarters] Penang
- HENKO MACHINE TOOLS SDN. BHD. ¹³
[Headquarters] Johor Bahru

Singapore

- HENKO (S) PTE. LTD. ¹⁴
- HENKO MACHINE TOOLS PTE. LTD. ¹⁵
[Headquarters] Singapore

Indonesia

- PT. YUASA SHOJI INDONESIA ¹⁶
[Headquarters] Cikarang

The Philippines

- YUASA TRADING (PHILIPPINES) INC. ¹⁷
[Headquarters] Manila

Vietnam

- YUASA TRADING VIETNAM CO., LTD.
[Headquarters] Ho Chi Minh City ¹⁸ [Branch] Hanoi ¹⁹

India

- YUASA TRADING INDIA PRIVATE LIMITED
[Headquarters] Gurugram ²⁰ [Branch] Bangalore ²¹

U.S.

- YUASA-YI, INC.
[Headquarters] Chicago ²²
[Branch] Cincinnati ²³
South Carolina ²⁴
New England ²⁵

Mexico

- YUASA SHOJI MEXICO. S.A. DE C.V. ²⁶
[Headquarters] León

Share Information (as of March 31, 2024)

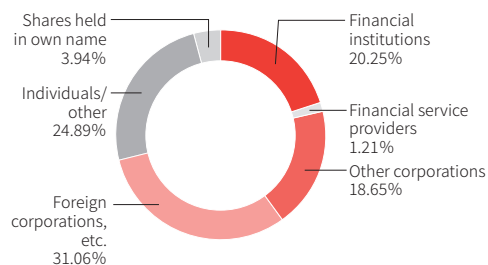
Total number of authorized shares 40,000,000 shares

Total number of issued shares 22,100,000 shares
(including treasury share of 871,267 shares)

Number of shareholders 7,364

*1 The number of shares constituting one unit is 100 shares.

Shareholder ratio



Major shareholders (top 10)

Shareholder name	Number of shares (thousand shares)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd.	2,435	11.47
BNYM AS AGT/CLTS 10PERCENT	986	4.64
YUASA Tankyo Shareholding Association	935	4.40
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	904	4.25
HIKARI TSUSHIN, INC.	833	3.92
Custody Bank of Japan, Ltd.	759	3.57
East YUASA Yamazumi Shareholding Association	634	2.99
West YUASA Yamazumi Shareholding Association	632	2.97
YUASA Trading Employee Shareholding Association	518	2.44
Okuma Corporation	398	1.87

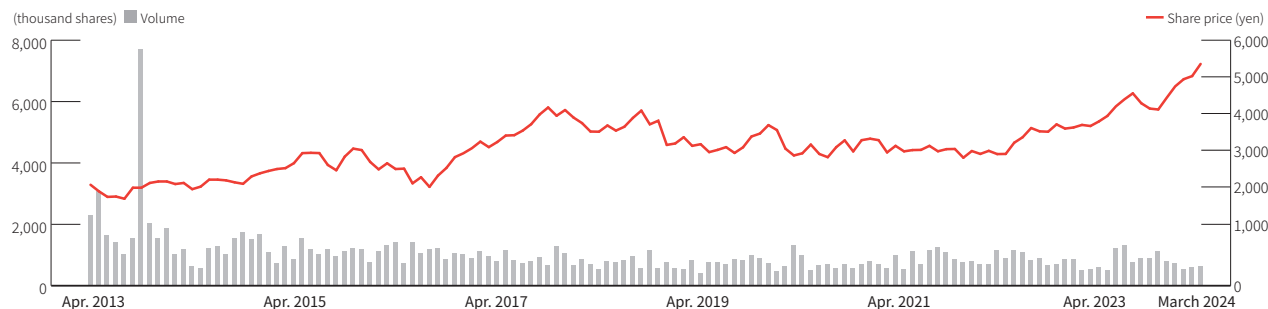
*2 The number of shares shown in the above list are rounded down to the nearest thousand shares.
*3 The ratio of shareholding is calculated by deducting treasury stock and rounded down to the second decimal place.
*4 The company holds 871,000 shares as treasury share, which is not included in the above table. Further, the company shares (223,000 shares) held by the Board Incentive Plan is not included in treasury shares.
*5 Of the trust bank holding listed above, the number of shares related to trust operations of trust banks is as follows.

The Master Trust Bank of Japan, Ltd.	2,435 thousand shares
Custody Bank of Japan, Ltd.	759 thousand shares

Shares issued to company executives as compensation for the execution of their duties during the fiscal year under review

Categories	Number of shares	Number of grantees
Directors (excluding Outside Directors)	5,680 shares	1

Trends of stock price and volume



Company Profile

(as of March 31, 2024)



Company name YUASA TRADING CO., LTD.

Headquarters 7, Kanda-Mitoshicho, Chiyoda-ku, Tokyo

Founded March 1666

Established June 25, 1919

Share capital ¥20,644 million

Number of employees 2,621 (consolidated)
1,184 (non-consolidated)

Stock exchange listing Prime Market of Tokyo Stock Exchange

Security code 8074

Fiscal year April 1 – March 31 of the following year (fiscal year ends in March)

Main financial institutions [Banking] Sumitomo Mitsui Banking Corporation
[Life insurance] SUMITOMO LIFE INSURANCE COMPANY
[General insurance] Mitsui Sumitomo Insurance Company, Limited
[Securities] Nomura Securities Co., Ltd.



Service Integrated Shosha Group

YUASA INTEGRATED REPORT 2024

YUASA TRADING CO., LTD.

7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo 101-8580