

## Value Creation Foundation

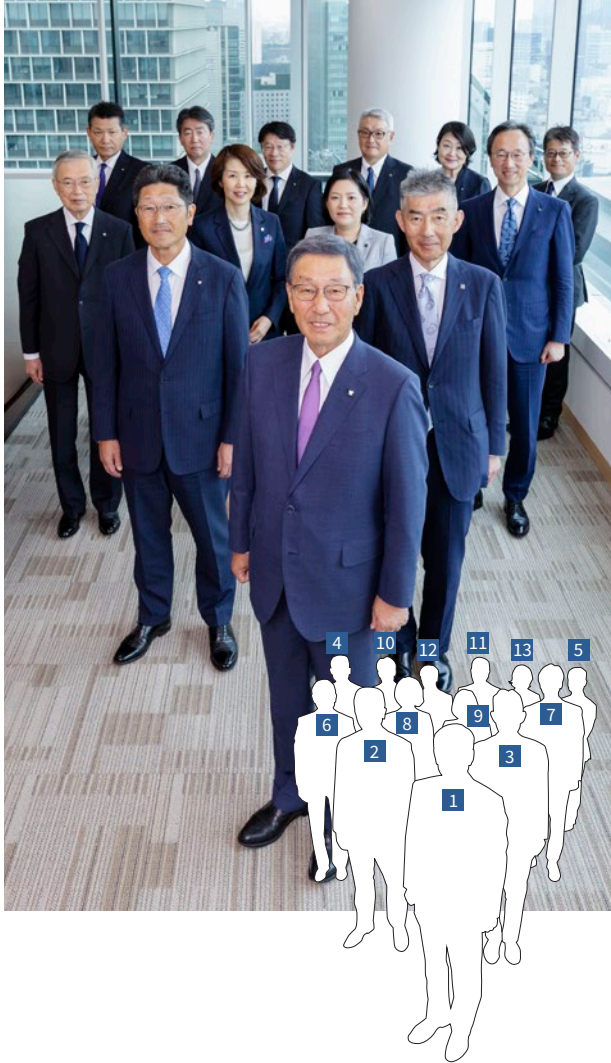
A robust governance structure is vital for consolidated and sustainable growth in our corporate value.

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.

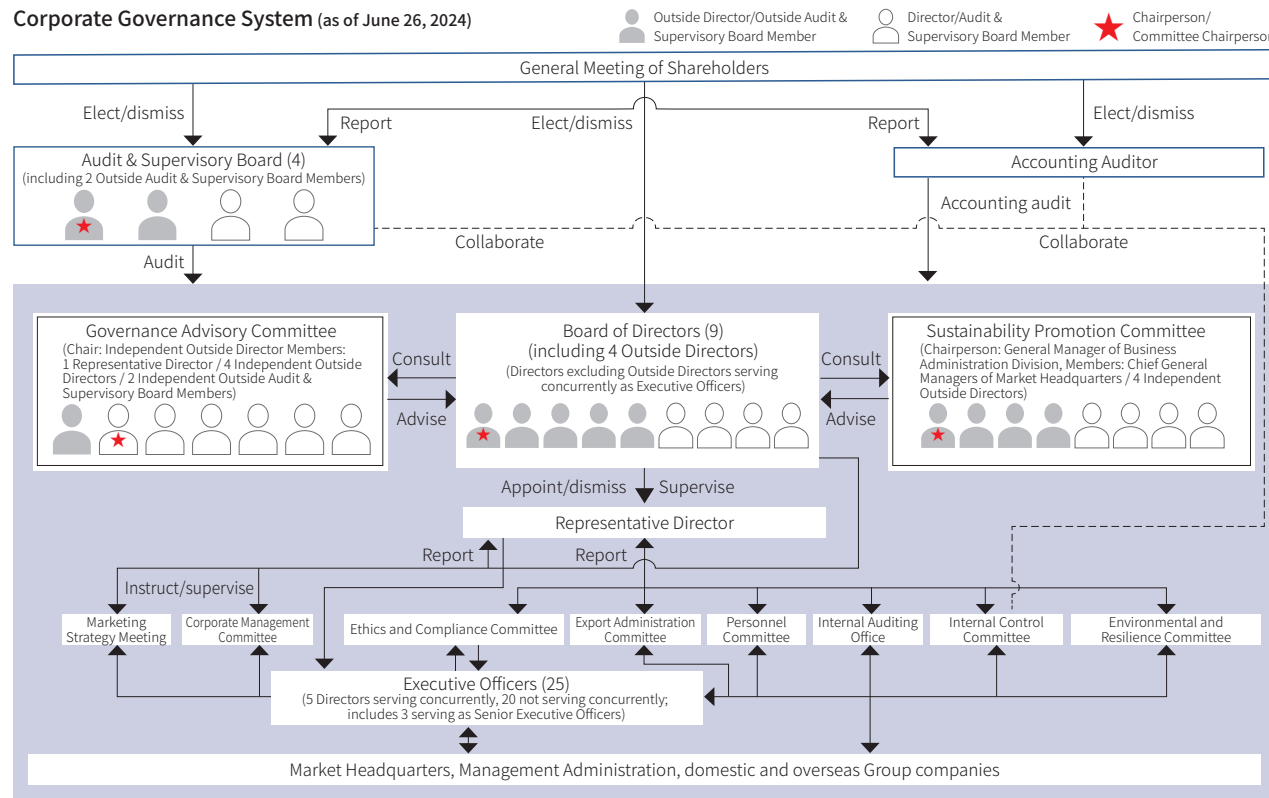
The YUASA TRADING Group is a large conglomerate comprised of 41 affiliated companies\*, including 29 consolidated subsidiaries and one equity method affiliate. However, centered on YUASA TRADING, the Group maintains close cooperation and strives for disciplined company management that improves the value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

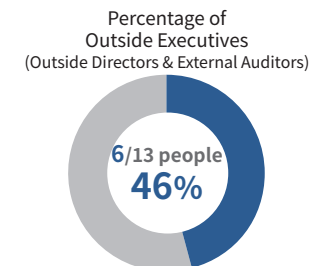
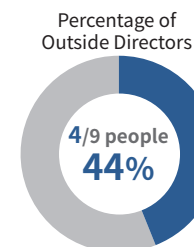
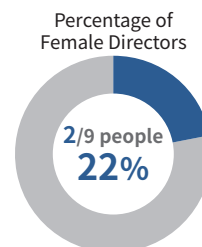
\*1 Term of office ended at the conclusion of the General Meeting of Shareholders held in June 2024  
\*2. Denotes attendance record after taking up their post on June 23, 2023

## 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
<b>Total</b>	<b>360</b>	<b>254</b>	<b>74</b>	<b>31</b>	<b>16</b>

\*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.

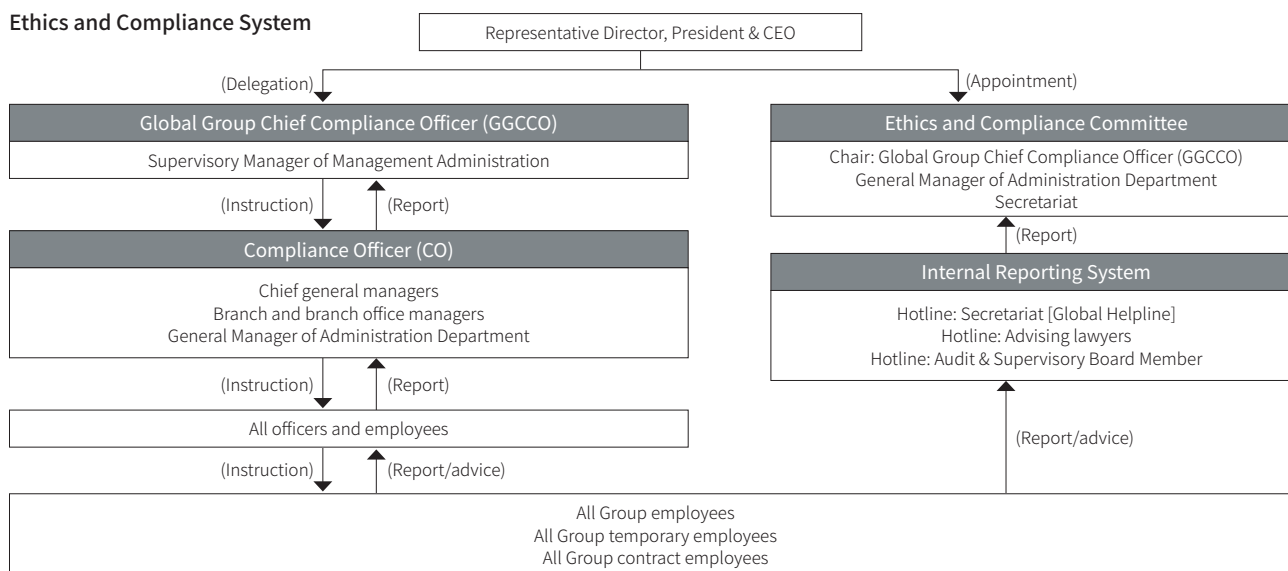
## Response Against Anti-social Forces

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.