

# Message from the Supervisory Manager of Management Administration

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



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 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.

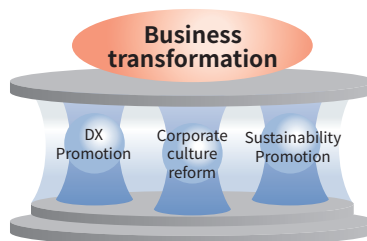
The source of our competitiveness is the extensive network of business partners we have built in our 358 years of business since being founded in 1666. However, establishing and continuously strengthening a governance system that realizes not only compliance but also correct corporate management is needed 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 CO<sub>2</sub> 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.

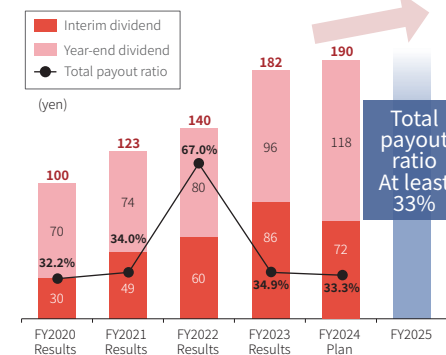
### Investment Policy for Growing Together 2026

		Growing Together 2026	
Investment		Plan	Details
Growth Strategy Investment	Overseas Business	¥6.0 bn	<ul style="list-style-type: none"> <li>M&amp;A investment</li> <li>Strengthened investment in South Asia (Thailand and India)</li> </ul>
	Green Business		
	Digital Business		
	Resilience & Security Business	¥4.0 bn	<ul style="list-style-type: none"> <li>Product and service development investments                             <ul style="list-style-type: none"> <li>TSUNAGU innovation development</li> </ul> </li> <li>Function strengthening investments                             <ul style="list-style-type: none"> <li>Human resource development</li> <li>Strengthened sales promotion</li> <li>Development of logistics infrastructure</li> </ul> </li> </ul>
	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"> <li>Development of data utilization infrastructure, etc.</li> </ul>
Total		¥21.2 bn	

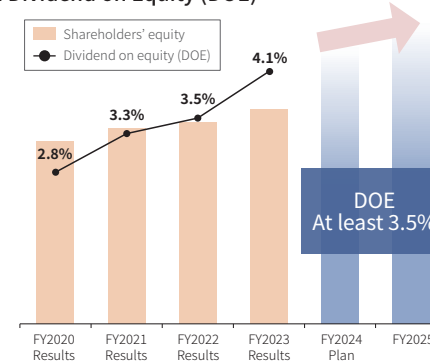
## Total Payout Ratio to Shareholders

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.