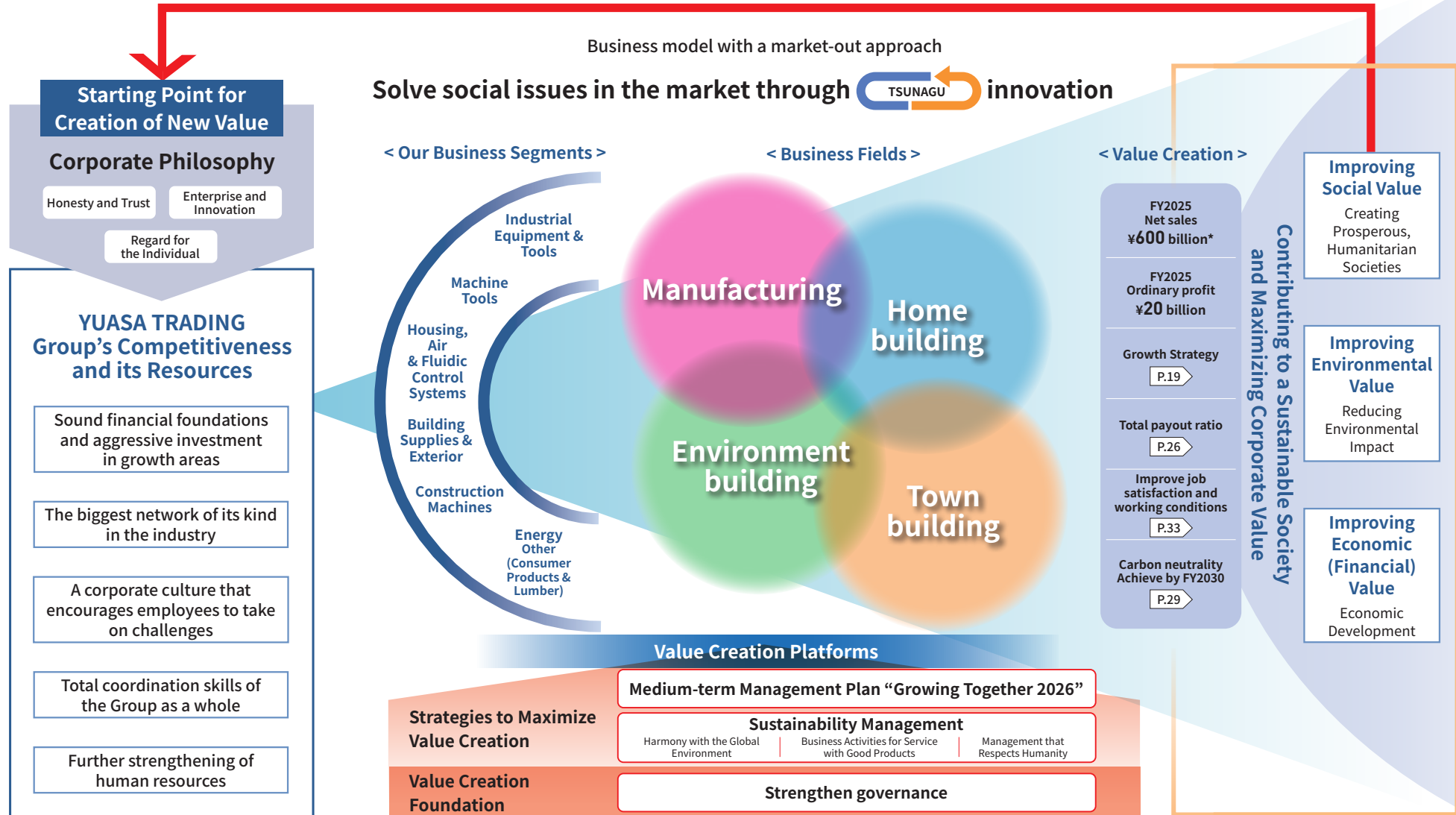


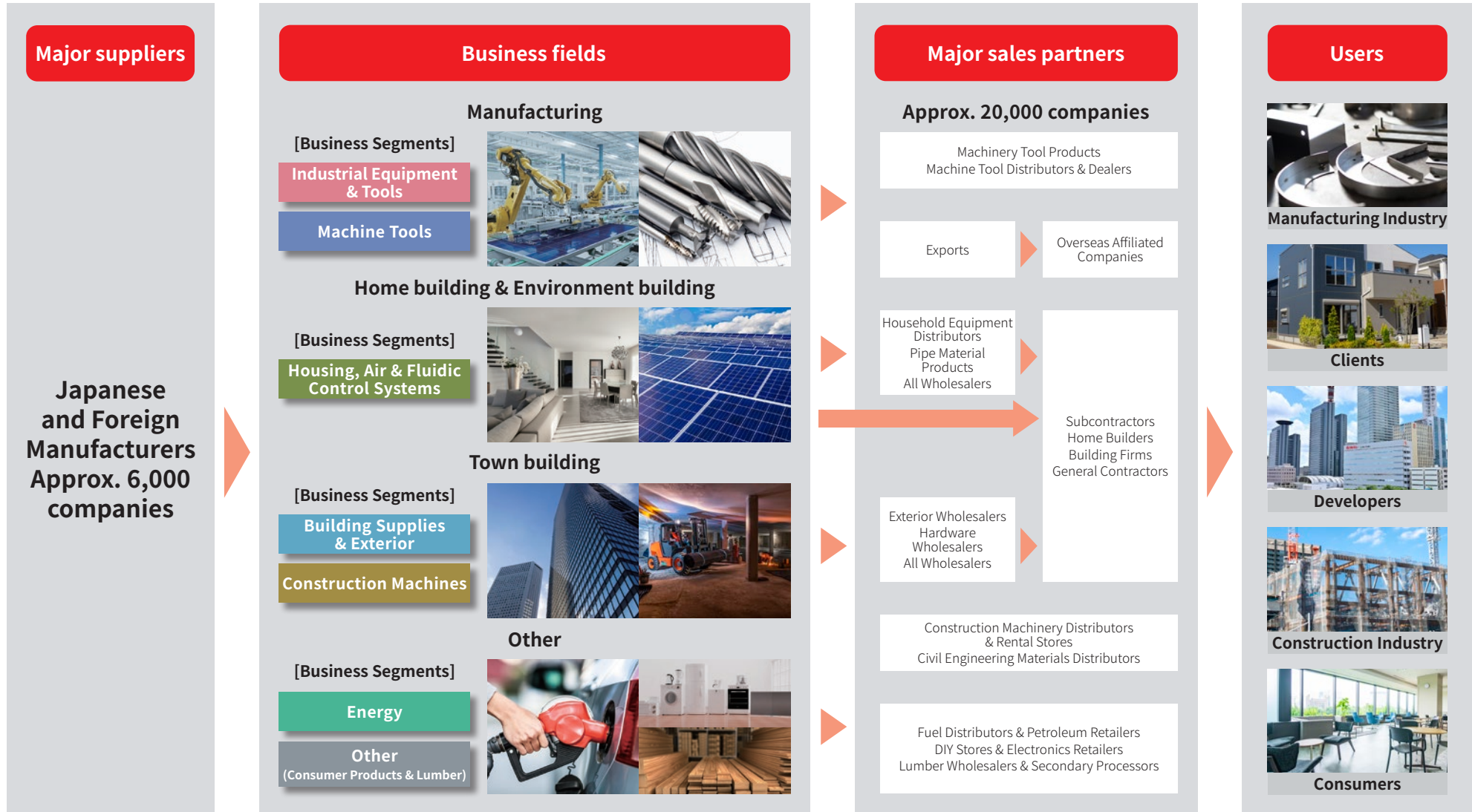
Value Creation Process

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



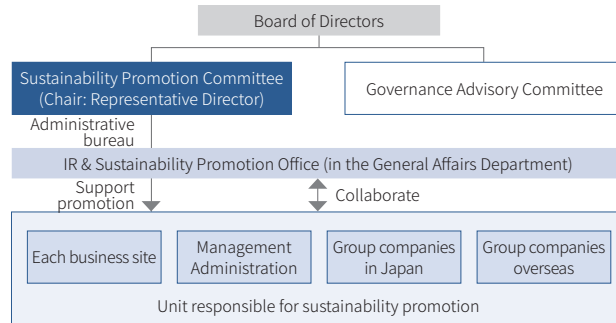
Promoting Sustainability Management and Materiality

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

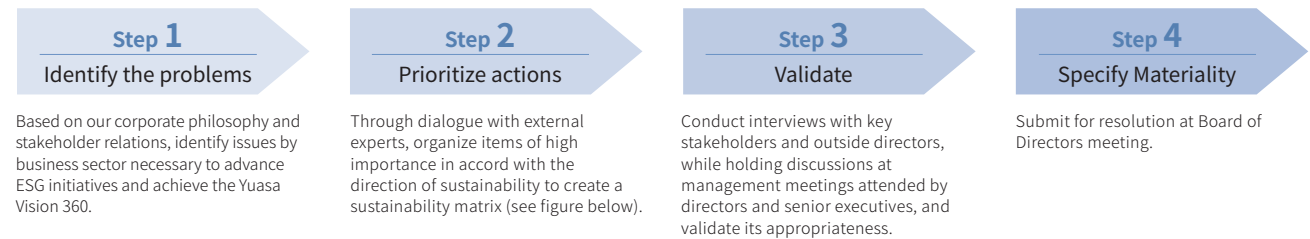
With regard to overall risk management for sustainability, including climate change, the Risk Management Supervisory Manager, each of the committees (Ethics and Compliance Committee, Internal Control Committee, Environmental and Resilience Committee, etc.), and the Sustainability Promotion Committee 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)

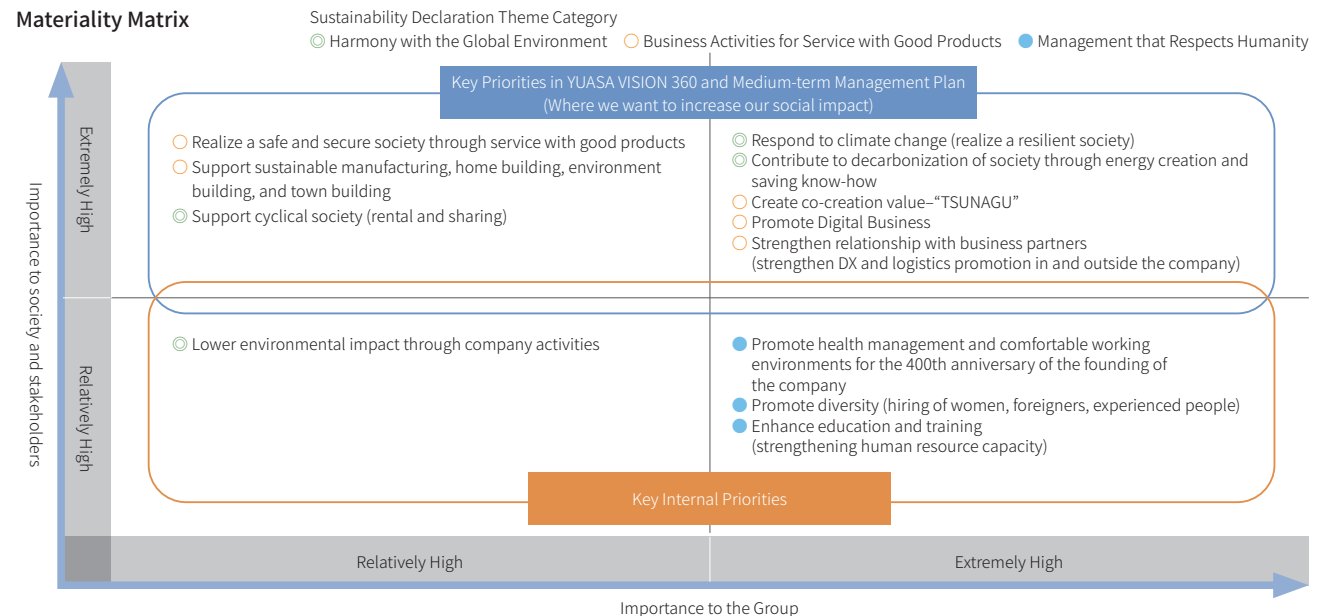
Specific Materiality Process

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)		