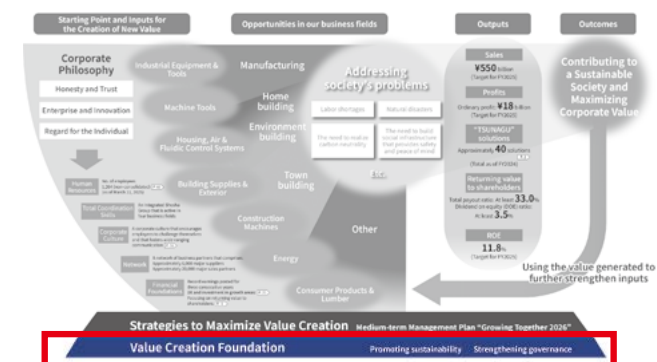


# Supporting Connections



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# Message from the Chief General Manager of Management Administration

Aiming to Realize Offense-focused Management That Contributes Toward Enhancing Overall Corporate Value



**Kenichi Tanaka**

Representative Director  
Senior Managing Director  
Chief General Manager of Management Administration

## Determining What We Need to Change, and Outlining Where We Should Be in the Future

It is now just over a year since I was appointed to serve as Chief General Manager of Management Administration in April 2024. During this time, the Company has been working to strengthen its governance system, and in June 2024 we welcomed Ernst & Young ShinNihon LLC to be our new accounting auditor.

Companies are required by law to have an accounting auditor, and some things in particular need to remain unchanged regardless of whichever auditing firm is being used. Nevertheless, the new perspective that Ernst & Young ShinNihon LLC has provided in relation to auditing and communication has given us valuable insights into what we need to change.

Not just in relation to auditing, but also in relation to the day-to-day operations of the Management Administration, there is no point in undertaking purely superficial reasons, such as work focused only on whether it meets formal requirements, or preparing reports only because you are required to do so. We will be proceeding with reforms to make ourselves into an organization that undertakes genuinely meaningful work, by using new insights to outline where we need to be in the future, thereby leading to an enhancement of our corporate value.

## Realizing Not Just Defensive Management but Also Offense-focused Management

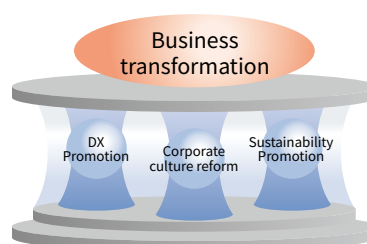
In last year's report, I noted that defensive management in relation to fundamental aspects of corporate value such as compliance and governance constitutes an important role for the Management Administration. From now on, besides implementing thorough defensive

management, I believe that it is also very important for us to adopt an offense-focused management perspective and work to enhance operational effectiveness and overall corporate quality.

Just as in General Sales, the Management Administration has key performance indicators (KPIs), such as reducing overtime hours worked and increasing the percentage of male employees who take childcare leave. The responsible departments are implementing various initiatives to achieve these goals, but it is not enough just to set a target. Without effective communication that strikes a chord with employees and leads them to take practical action, initiatives will not be effective.

For example, as part of our health management promotion efforts, we have set a target of ensuring that 100% of employees who are found to be at high risk during health examinations see a doctor. In the past, employees to whom this applied received individual guidance and were encouraged to see a doctor, but because of factors such as being busy at work, the percentage who actually did so was less than 100%. Responding to this situation, in FY2024 the Deputy Chief General Manager of Management Administration called all employees who had been diagnosed as high risk but had yet to see a doctor, urging them to do so within the specified deadline. As a result, we were able to achieve our goal of getting 100% of our employees to see a doctor. This may seem like a relatively trivial matter, but having the Deputy Chief General Manager (who is also an Executive Officer) personally engage in communication that makes employees feel valued and demonstrates a proactive commitment to employees' health constitutes an important first step in the implementation of offense-focused management. At the same time, we think that this also embodies what I always say about needing to be a "responsive and passionate group," which takes responsibility for one's day-to-day work.

## 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. 31

### DX Promotion

To promote business transformation, we will build a data utilization infrastructure, develop DX talent, reform business processes, and create innovation.

P. 26

### Sustainability Promotion

We aim to make the YUASA TRADING Group as a whole carbon-neutral, and accelerate the carbon neutrality promotion business.

P. 12

## Message from the Chief General Manager of Management Administration

Starting from this fiscal year, we are implementing various new initiatives to strengthen connections between the Management Administration Headquarters at head office and our individual business locations throughout Japan (branch offices, branches, and business offices). These initiatives include meetings to address operational issues that bring together the general managers and deputy general managers of each unit, and also regular meetings to invigorate communication between the Management Administration Headquarters and the Regional Officer (there are seven Blocs covering the whole of Japan). Besides aiming to enhance efficiency through the proactive adoption of digital technology such as AI, we are also striving to increase the contribution that each individual employee can make by raising productivity through a strengthening of logistics and inventory management throughout the YUASA TRADING Group as a whole.



## Sustainability Promotion Initiatives

In 2021, the YUASA TRADING Group announced its 2021 Sustainability Declaration, with a focus on harmony with the global environment, business activities for service with good products, and management that respects humanity.

Recognizing the level of quality that is expected of companies listed on the Prime Market of the Tokyo Stock Exchange, we aim to improve assessments of our ESG activities by incorporating external organizations' perspectives while also working to maximize corporate value by strengthening linkage with businesses in which we are particularly strong, such as our green businesses.

## Long-Term Investment Policy

The policy of the YUASA TRADING Group is to allocate ¥21.2 billion, equivalent to slightly more than 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><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>
	Green Business		
	Digital Business		
	Resilience & Security Business	¥4.0 bn	
	New Distribution Business		
	Sharing Business		
	Long-term Care & Medical Business		
	Food Equipment Business		
	Agriculture Process Business		
Core Businesses			
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	

## Measures Aimed at Realizing Management That Embodies Awareness of the Cost of Capital

Taking into account the analysis of various factors performed by the Finance Division, as well as information received from external assessment providers, it was estimated that cost of capital in the fiscal year ended March 31, 2025 would be in the range of 5.64%–6.53%. We are implementing the following measures aimed at achieving the target set in the current Medium-term Management Plan of achieving return on equity (ROE) of at least 11.8%, which exceeds the cost of capital.

### 1. Enhancing profitability and growth

By increasing the added value derived from "TSUNAGU" innovation and by implementing our growth strategy, we are continuing to improve profit margins of all kinds, starting with gross profit margin [P.59] and to boost sales related to growth strategy [P.16].

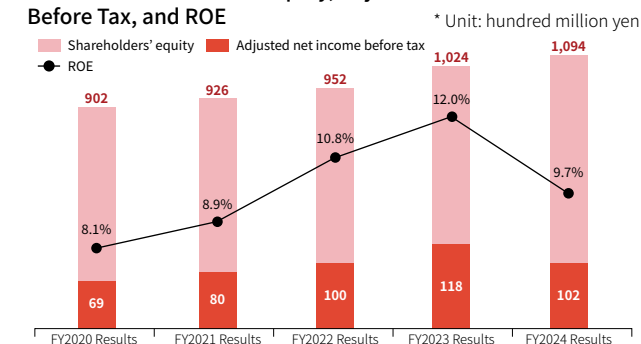
### 2. Growth-oriented investment

In line with the strategy noted on the left, we have already implemented investment totaling ¥18.14 billion, accounting for over 80% of the planned investment, with a particular focus on investment in DX.

### 3. Measures aimed at reducing the cost of shareholder's equity

We are practicing proactive disclosure and communication, including the issuing of an English language translation of our Corporate Governance Report and the simultaneous issuing of Japanese language and English language versions of disclosure documents, as well as increasing the number of opportunities for one-on-one meetings [P.48].

### Trends in Shareholders' Equity, Adjusted Net Income Before Tax, and ROE



# 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

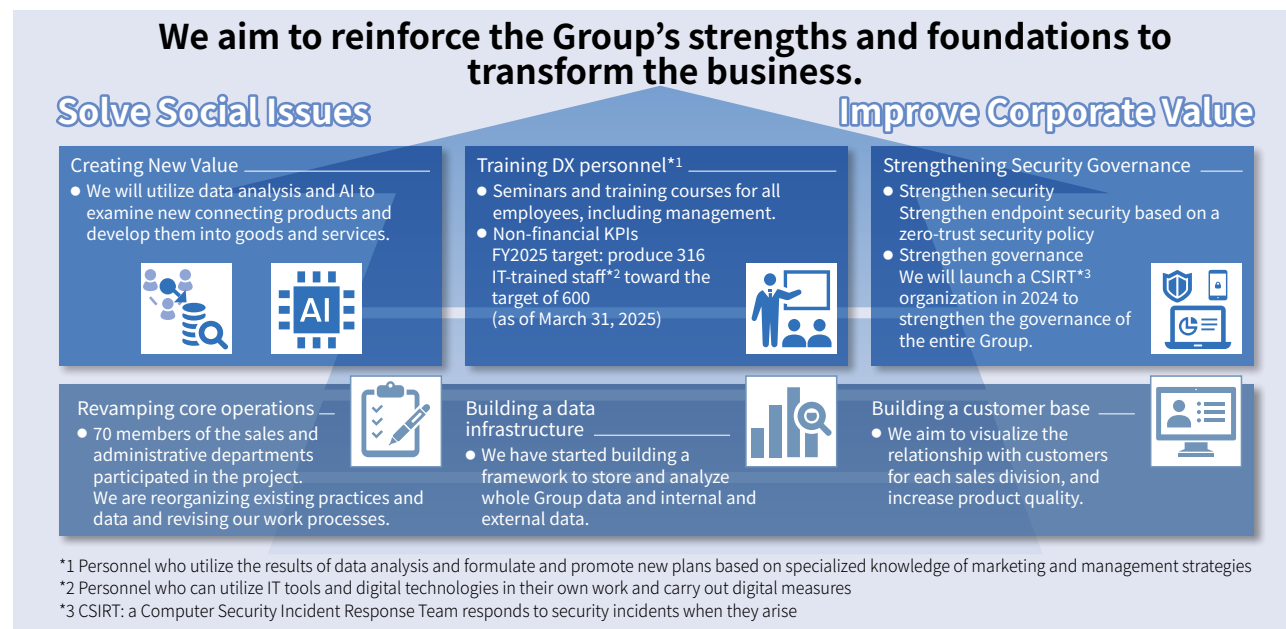
## **Solving Social Issues and Enhancing Corporate Value by DX Promotion**

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**

### **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.

#### **[Building a data infrastructure]**

We are proceeding with the building of the foundations for Group-wide integrated data utilization, and have commenced integrated operation for some areas ahead of schedule this fiscal year. Going forward, we will be proceeding steadily with development and integration, promoting both the “offense-focused” and “defensive” aspects of data utilization.

### **Reinforcing Our Advantage**

#### **[Training DX personnel]**

With regard to the non-financial KPI of producing at least 600 IT-trained staff by the fiscal year ending March 31, 2026, we had already succeeded in producing 316 IT-trained staff, as of March 31, 2025.

#### **[Creating New Value]**

With the goal of improving operational efficiency and enhancing precision, we have begun using generative AI throughout the Company in a secure internal environment. By utilizing generative AI in combination with robotic process automation (RPA), we aim to realize a corporate organization that makes effective use of digital technology to stimulate innovation.

# 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)

Yuasa Trading Group shall satisfy the increasingly diverse social needs of consumers and strive to provide safe and useful products and services, while fully considering product liabilities, resource and energy conservation, environmental issues, environmental preservation, etc. We shall also pay adequate attention to the social aspects of handling products and services.

### Environmental Policy

The YUASA TRADING Group strives to reduce environmental impact through all its business operations and will contribute to harmony with the global environment and the creation of a sustainable society.

**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 to monitor indicators, manage targets, and handle risk management for the advancement of climate change initiatives across the entire YUASA TRADING Group. A full-time IR & sustainability promotion officer has been established within the General Affairs Department and, serving as secretariat, regularly reports on the progress of these initiatives to the Sustainability Promotion Committee. We also collaborate with the Environmental and Resilience Committee to effectively advance activities aimed at maintaining and improving the global environment through our business operations as well as ensuring business continuity.

## Strategy

The YUASA TRADING Group promotes environmental management based on our environmental policy, utilizing ISO 14001 multi-site certification, an international standard for environmental management. We are striving to continuously improve our environmental performance through Plan, Do, Check, Act (PDCA) cycles in aiming to reduce the environmental impact of our organizational activities, products, and services.

### Environmental Management Promotion System

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 and conducted scenario analyses to more objectively evaluate the impacts of climate change and changes in the business environment. We are also working to seize business opportunities during the transition periods 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 businesses and fields that are affected.

Categories	Item	Details	Risks	Timeframe	Severity	Opportunities	Timeframe	Severity
Transition (decarbonization)	Policy and legal	<ul style="list-style-type: none"> <li>● Introduction of a carbon tax</li> <li>● Strengthening of environmental regulations for products</li> </ul>	<ul style="list-style-type: none"> <li>● Cost increases caused by government regulations, such as introduction of carbon tax</li> <li>● Cost increases due to strengthening of environmental regulations for products</li> </ul>	Medium- to long-term	Low to medium	<ul style="list-style-type: none"> <li>● Expansion in demand for products with high energy efficiency</li> <li>● Expansion in demand for products related to resource recycling</li> <li>● Expansion in demand for renewable energy</li> <li>● Increased demand for switching to energy-saving products and high-efficiency devices due to rising energy prices</li> <li>● Drive for GX (Green Transformation) propelled by the government</li> </ul>	Short- to long-term	Medium to high
	Technology	<ul style="list-style-type: none"> <li>● Promoting the development of low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>● Decrease in demand for existing products due to low carbon technology</li> </ul>	Short- to medium-term	Low to medium			
	Market and reputation	<ul style="list-style-type: none"> <li>● Soaring prices of raw materials and other resources accompanying decarbonization</li> <li>● Increasing energy costs</li> <li>● Strengthening of disclosure standards related to decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>● Cost increases due to soaring prices of raw materials, etc. and rising energy prices due to decarbonization</li> <li>● Decline in external reputation and lower supply chain competitiveness due to delays in taking action and inadequate information disclosure</li> </ul>	Short- to long-term	Medium to high			
Physical (disaster responses)	Acute	<ul style="list-style-type: none"> <li>● Increasing severity of typhoons and other large-scale natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>● Temporary shutdowns or disruption of Group sites and the supply chain due to large-scale natural disasters</li> <li>● Delays in supplier production</li> </ul>	Short- to long-term	Medium to high	<ul style="list-style-type: none"> <li>● Expansion in demand for products related to resilience</li> </ul>	Short- to long-term	Medium to high
	Chronic	<ul style="list-style-type: none"> <li>● Depletion of resources</li> </ul>	<ul style="list-style-type: none"> <li>● Stagnation of production activities due to water and power shortages (outages)</li> </ul>	Short- to long-term	Medium to high			

Notes: 1. Definition of timeframes: Short-term: 1 to 3 years; medium-term: 3 to 10 years; long-term: 10 to 30 years

2. Reference scenarios

Transition risk: Net Zero Emissions by 2050 Scenario (+1.5°C)

(Scenario involving achievement of the goal of limiting the global average temperature rise to below 1.5°C compared to pre-industrial levels)

Physical risk: IPCC Sixth Assessment Report SSP5-8.5 (+4.4°C) (Scenario in which the global average temperature rises by approximately 4°C by 2100)



## Environment

### 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, including changes in legislation and policies, customer demand, and 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).

#### Physical Risk Assessments

We have assessed the physical risks from climate change-related events such as torrential rainfall, typhoons, and heatwaves using the WWF Water Risk Filter (2024 Edition) for all 210 domestic and overseas sites we own or operate. For domestic sites, we further investigated flood risk status of applicable sites at risk of floods, landslides, and which are in low-lying areas, while also assessing flood risk status for sites in the United States and Taiwan.

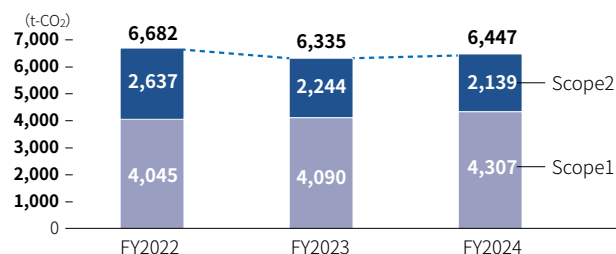
Two overseas sites (in India and Thailand) from among all our sites have comparatively high physical risks. As both sites are buildings (indoor), we believe that potential impacts would be minor. We have instituted risk mitigation measures at the Thailand site, including raising floor levels and extensive pile driving work across the site premises, to address flooding and land subsidence risks.

For domestic sites, there are 10 Company or Group company owned sites situated in areas with moderately high flood risk. While the extent of assets at these sites which could be affected by flooding is limited, we will promote regular preventive management at these sites.

### Indicators and Targets

Besides aiming to make the Group as a whole carbon neutral for Scope 1 and Scope 2 emissions by FY2030, we will also be striving to reduce environmental burden throughout the supply chain. As the first step toward making the Group carbon neutral, we are aiming for a 30% reduction in CO<sub>2</sub> 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.

#### CO<sub>2</sub> emissions in the supply chain Scope 1, Scope 2 (for the entire YUASA TRADING Group)



\*While the above does not include LINE-UP CO., LTD., which became a YUASA TRADING Group company in February 2025, this data also will be included as soon as the data aggregation system is established.

#### Summary for FY2024

Emissions decreased by 3.5% compared to those of the base year (FY2022) but increased by 1.8% compared to those of FY2023. The primary factor for this increase was higher levels of gasoline consumption.

For Scope 1 emissions, the increase is attributable primarily to an increase in business activities at overseas Group companies. Additionally, newly available gasoline refueling data for business vehicles used at construction site offices operated by domestic Group companies also contributed to a 6.5% increase compared to those of the base year.

For Scope 2 emissions, we installed an in-house consumption solar power generation system on the roof of the new head office building of Group company YUASA TRADING (THAILAND) CO., LTD. Additionally, we achieved an 18.9% reduction compared to those of the base year due to the introduction of electricity derived from renewable energy sources, with progress in this area being achieved as planned.

We are prioritizing the introduction of electricity derived from renewable energy sources at YUASA-owned buildings and leased sites. Approximately 70% of the target facilities have completed the switchover to electricity derived from renewable energy sources (as of May 2025).



Solar power generation equipment installed on the rooftop of the new head office of YUASA TRADING (THAILAND) CO., LTD. These are expected to contribute to reductions of approximately 50 tons of CO<sub>2</sub> annually.

#### Scope 3 (non-consolidated)

Scope 3 emissions account for approximately 90% of the YUASA Trading Group's supply chain emissions. Emissions are notably high for product procurement and use. We are accordingly committed to contributing to reductions in emissions across our entire supply chain by supporting decarbonization in manufacturing processes and expanding sales of energy-saving products (see below table), around the core of our promotion of Green Business, which is among the Group's growth strategies.

Note: Refer to the summary of "Non-financial Data" on [P.60](#) for CO<sub>2</sub> emissions by Scope 3 category.

Segment	Key products and services contributing to climate change response
Industrial Equipment	Power-saving units, etc.
Machine Tools	Energy-saving machine tools, etc.
Housing, Air & Fluidic Control Systems	High-efficiency air conditioning, solar power generation systems, storage cells, etc.
Building Supplies & Exterior	Solar car ports, solar houses, etc.
Construction Machines	Energy-saving construction machinery, CO <sub>2</sub> monitoring systems, etc.

## Environment

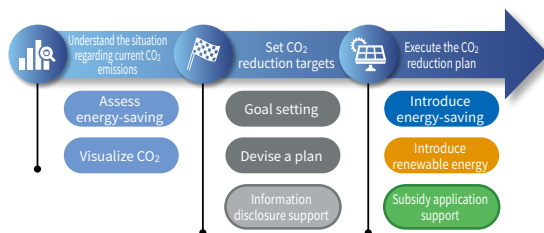
### Decarbonization Initiatives

#### YUASA One-stop Solutions

Green Business, which contributes to the realization of a sustainable society, is becoming more important in today's world, which is characterized by increasing demands and challenges in responding to climate change. At the Group, we have a specialized energy-saving consulting team called YES (YUASA ENVIRONMENT SOLUTION) to support our business partners in their initiatives to achieve carbon neutrality.

YES provides a one-stop service ranging from energy analysis using YUASA's proprietary integrated energy management system "YES-net" to specific action plans for subsidized equipment upgrades and construction and maintenance. These are delivered by YES professionals with specialized qualifications such as Qualified Person for Energy Management and First-class Electrician.

They leverage remote diagnostics and other technologies to provide optimal solutions tailored to our business partners' needs. These range from comprehensive equipment upgrades for entire plants and buildings to smaller-scale equipment refurbishments and operational improvements, and are contributing to the realization of a sustainable society.



#### YES website redesign

The redesigned website is regularly updated with specific details on YUASA's one-stop solutions and the latest subsidy information.

**YUASA ENVIRONMENT SOLUTION,  
YUASA TRADING CO., LTD.**  
<https://www.yuasa.co.jp/en/yes/>



#### Knowledge Sharing and Development of Human Resources for the Promotion of Green Business

We position the deepening of our knowledge in environmental fields, including carbon neutrality, as a priority issue in the promotion of the Group's Green Business. The YES team plays a central role in sharing the latest information on energy conservation, renewable energy, and various subsidies via internal portals, and is thereby enhancing our ability to propose solutions to our business partners. In addition, we hold briefings for employees as needed regarding the utilization of subsidies and, in FY2025, are implementing Green Business Seminars hosted by YES toward raising the levels of knowledge company-wide.

#### Contributions to the Reduction of CO<sub>2</sub> Supported by YES (FY2024)

The significant increase of approximately 130% compared to that of 2023 in the number of energy-saving business negotiations handled by YES is an indication of the growing demand for changeover to energy-saving products, particularly from the perspective of reducing utilities costs.

With the number of business negotiations for solar power generation equipment having increased by approximately 114% compared to that of 2023, it is estimated that the combined total of projects implemented by YES will facilitate reductions in CO<sub>2</sub> emissions of approximately 2,400 tons\*.

\* Estimated value calculated based solely on projects in which YES was involved

#### Topics

#### Automatic CO<sub>2</sub> Emissions Monitoring for Construction Machinery Using Telematics Services

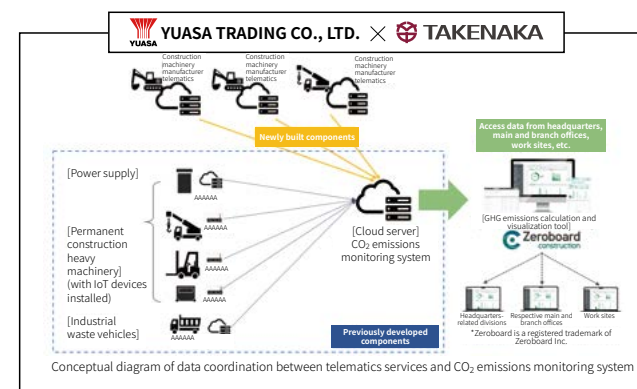
We have launched an automated monitoring initiative with Takenaka Corporation utilizing a telematics service\* to track CO<sub>2</sub> emissions generated at construction sites. The CO<sub>2</sub> emissions monitoring system for construction sites involves mounting IoT devices on construction heavy machinery and equipment to automatically measure activity data, which is then transferred to the cloud. This system enables accurate, real-time visualization of CO<sub>2</sub> emissions at construction sites with minimal operational burdens by linking the data with the CO<sub>2</sub> emissions calculation and visualization cloud service "Zeroboard Construction." Use of this system has substantially cut down on processes which previously required manual measurement and inputs to contribute to improved productivity and visualization of CO<sub>2</sub> emissions.

However, time and effort were involved in attaching the IoT devices to construction heavy machinery and equipment on-site during operations. Thus, in an effort to achieve increasingly seamless levels of accessibility and to reduce operational burden, we developed a platform for data integration with remote monitoring systems and conducted verification tests.

As part of this development, we partnered with the telematics services of Kobelco Construction Machinery Co., Ltd. and Hitachi Construction Machinery Co., Ltd. We are also considering a further partnership with TADANO, Ltd., and have already commenced verification testing to this end.

Going forward, we will expand the scope of coordination with telematics services provided by various construction machinery manufacturers and actively contribute to the achievement of carbon neutrality by further expanding the scope of their application and offering more comprehensive services.

\* Telematics service: Telematics is a compound word which combines "telecommunications" with "informatics," and refers to services provided by construction machinery manufacturers and others involving the installation of communication systems on equipment.



## Environment

### Water Resource Conservation and Risk Management

#### Business Activities in Water Risk Areas

Water resources are critical assets for the YUASA TRADING Group's operations and the products and services we handle. We have traditionally furthered initiatives to reduce water consumption as part of environmental conservation. However, we are now utilizing WRI Aqueduct (4.0) and the WWF Water Risk Filter (2024 Edition) to evaluate the available water resources and water stress levels at all domestic and overseas sites (210 sites), marking our first steps to advance water resource risk management throughout the entirety of our supply chain.

While the locations of some of the YUASA TRADING Group's overseas sites are in areas with high water risk, these are leased within commercial buildings and are characterized by comparatively low water consumption. We thus considered their actual associated risk as low.

In Japan, some Group company sites are characterized by high water consumption due to the nature of their business, and we will continue to reduce water consumption at these sites.

Going forward, we will also continue to actively explore the potential deployment of related products and solutions for the advancement of water resource conservation and water risk management throughout society.

### Initiatives to Help Facilitate a Circular Economy (Resource Circulation)

#### YUASA Upcycling Solutions

The YUASA TRADING Group has developed YUASA Upcycling Solutions as an initiative to address the “waste problem,” challenge within our value chain while simultaneously facilitating decarbonization, biodiversity conservation, and resource circulation.

Environmental challenges are not limited to decarbonization but also encompass such issues as a shortage of final disposal sites and resource depletion during manufacturing. We recognize that resource depletion has the potential to become a chronic risk for our Group, which is primarily engaged in wholesale operations. Recently, increasing importance is being placed on the pursuit of well-balanced transitions toward a decarbonized society alongside biodiversity conservation and resource circulation.

YUASA Upcycling Solutions is an initiative that leverages the relationships and technological capabilities of our Group to their greatest

extent, to imbue items destined for disposal with stories, and bestow them with renewed life as new products.



#### The Concept of Upcycling

“Upcycling” refers to the process of transforming items destined to be disposed of into new products of greater value. Unlike recycling, it

involves reusing the original materials as is, while adding value through design, creativity, and other innovations and thereby transforming them into high value products.

Focusing on the unique textures and diverse colors of respective materials, and incorporating design, storytelling, and creative usage concepts, are the keys to harnessing the distinctive appeal of upcycling.



#### Topics

### Transforming Socially Problematic Waste and Nuisance Items into Building Materials

#### Resource Circulation × Biodiversity

#### Contributing to the red soil collection project through the deployment of red soil as building materials

Runoff of red soil in Okinawa is a major social issue. When red soil exposed due to development and other factors is washed into the sea by heavy rains, the fine-grained particles of which red soil is composed blanket coral and other natural features and destroy the coral reef ecosystem. While activities to remove this soil are underway, red soil thus removed cannot be reverted to soil as it is mixed with seawater salt. This is resulting in large amounts of waste.



An eating establishment in a traditional house in Aizu-Wakamatsu, Fukushima Prefecture

We finished the walls of an eating establishment in a traditional house using red clay-based plastering materials and tiles during the building's renovation. The texture and feel of this natural clay blend seamlessly with the traditional wooden structure of this building.

Incorporating red clay with the natural clay used for the interior finishing materials is also giving rise to new sales channels.



### Utilizing Tree-thinning and Unused Wood Materials for Furniture and Novelty Items

#### Resource Circulation × Biodiversity × Decarbonization

#### A sustainable resource circulation system for tree-thinning and unused wood materials



YUASA LUMBER CO., LTD., a YUASA TRADING Group company, is creating a framework for the sustainable circular use of materials resulting from forest management activities, such as those derived from unused wood and thinning operations. For example, one of the primary ways

in which the unspoiled lumber of the aforementioned operations is used is in the crafting of benches that are then installed in public parks. They subsequently replace the rectangular lumber of the seat posts every six months and repurpose that lumber for secondary use in wooden decking and similar applications. We are contributing to campaigns for the protection and maintenance of plentiful forests through resource circulation initiatives such as this.



# Human Resources Strategy (Corporate Culture Reform)

— Message from the Personnel Department General Manager —

## Strengthening our human resources strategy to realize effective human capital management



**Takashi Iwasaki**

General Manager of Personnel Department

## A Human Resources Strategy Based on Management That Respects People

The YUASA TRADING Group positions its employees as human capital, and recognizes the vitally important role that they play in increasing corporate value. By creating an organization and corporate culture that enable every employee to strengthen their skills, and which provide support to help employees realize personal growth, we are aiming to build sustainable corporate value.

Under our “Growing Together 2026” Medium-term Management Plan, we are implementing priority measures based on the theme of “addressing social issues.” We have positioned our human resources strategy as having an extremely important role to play in implementing a market-out approach and realizing the Group’s vision of contributing toward the addressing of social issues through “TSUNAGU” innovation.

When identifying and analyzing latent issues in the market, and building rapport with suppliers and collaborating closely with them, it is people who make it possible to implement strategies for solving problems through expertise and execution ability. I believe that, by maximizing team performance by strengthening the capabilities of individual employees, and by ensuring that employees understand each other’s roles and are able to collaborate effectively, it is possible to make “TSUNAGU” innovation the norm and to achieve the goals that we have set in our management strategy.

I am convinced that we should be aiming to build a virtuous circle in which employees’ personal growth leads to growth for the enterprise as a whole, and in which the enterprise’s growth generates further growth opportunities for employees.

## YUASA TRADING Group Desired Talent Profile

At the YUASA TRADING Group, we desire human resources who “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).

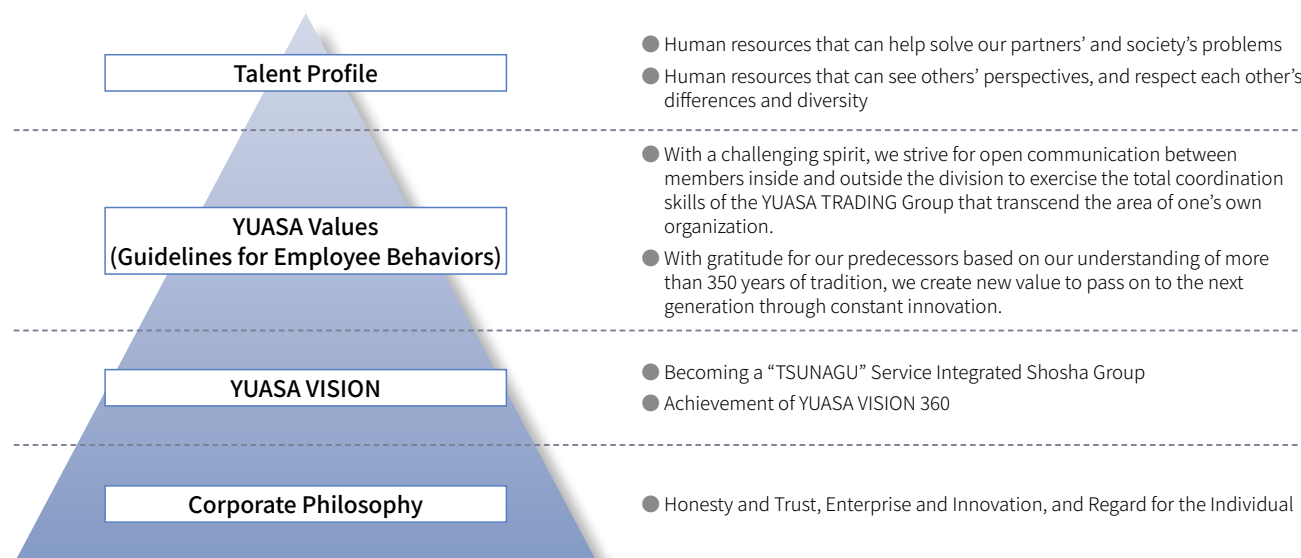
Under our current Medium-term Management Plan, our aim is for all employees to be aware of the need to demonstrate “total coordination skills,” “challenging spirit” (willingness to take on challenges), and “communication,” and to help address social issues through “TSUNAGU” innovation.

In order to keep generating innovation on an ongoing basis, it is vitally important for every individual employee to realize personal growth. We also feel that it is extremely important to build a corporate culture in which employees respect each other and feel free to speak their mind,

and in which employees can challenge themselves without fear of failure. As we see it, this is the foundation for a meaningful transformation. Through the human resources system reforms and corporate culture reforms that we are currently implementing, we are aiming to help make “TSUNAGU” innovation from a human resources perspective the norm, and to become a company that is valued by all stakeholders.

To realize our vision of our ideal human talent, and to enable every individual employee to realize sustainable growth, going forward, the Group will continue to invest appropriately in the employees who constitute our human capital. Furthermore, by establishing an environment in which individuals and the organization as a whole can continue growing together and setting it as our foundation, we will aim for the realization of sustained growth in corporate value.

## Corporate Philosophy, Vision, Values, and Talent Profile



## Human Resources Strategy

### — Personnel Department Round-table Discussion Meeting — Addressing Priority Issues: YUASA PRIDE Project

Personnel Department staff responsible for implementing the YUASA PRIDE Project discussed Yuasa's human resources strategy as it relates to the project.



**Naomi Ohori**

Personnel Department

**Takashi Iwasaki**

General Manager of  
Personnel Department

**Moeko Matsuno**

Personnel Department

### ▶ The YUASA PRIDE Project — Overview and Initiatives

— Our human resources strategy is focused on strengthening employee engagement. We aim for every employee to be able to take pride in working at YUASA TRADING, and to be a company where employees can experience growth for themselves.

Launched in March 2023, the YUASA PRIDE Project is an initiative in which all employees can participate, the aim of which is to realize sustainable growth for both the Company and its employees, strengthen employee engagement, and cultivate human talent able to use "TSUNAGU" innovation to help solve social issues. The project has two key themes: increasing work satisfaction, and creating a more employee-friendly working environment (see figure on the right).

We conduct employee awareness surveys on a regular basis. Analysis of the results obtained in these surveys shows that there is a significant correlation between employee engagement and work satisfaction. Work satisfaction is a driver for personal growth achieved through one's work, and is particularly important as a factor in accumulating management experience and strengthening individual skills.

For employees to increase their skills and generate innovation, we need to foster a corporate culture in which employees from diverse

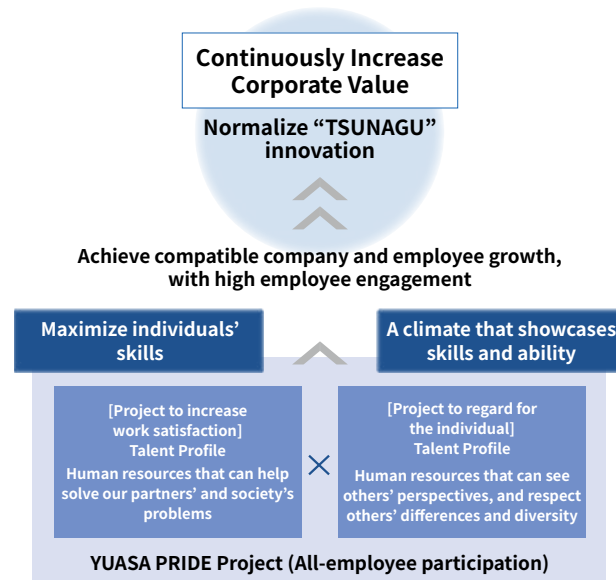
backgrounds respect each other's values and help one another to grow as individuals.

In FY2023, we held a total of 88 workshops, in which all employees could participate, to canvass views from as many different perspectives as possible. Based on the insights obtained through this process, we appointed task force members to engage in discussions aimed at concrete examination of how to build a human resources system that would enable us to make the YUASA TRADING Group's ideal "Talent Profile" a reality.

We will also be considering specific measures to realize DE&I\* that is tailored to the specific needs of the YUASA TRADING Group, with the aim of creating a corporate culture with which everyone feels comfortable and in which everyone is free to express their opinion.

\* Diversity, Equity, and Inclusion (DE&I) provides a foundation for generating innovation and realizing sustainable growth. ([https://www.keidanren.or.jp/journal/monthly/2023/03\\_JOINnovator.html](https://www.keidanren.or.jp/journal/monthly/2023/03_JOINnovator.html)) (in Japanese)

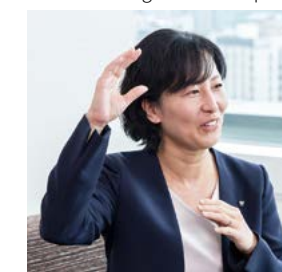
#### Overview of YUASA PRIDE Project



### ▶ The Significance Attached to the YUASA PRIDE Project for Strengthening YUASA's Human Resources Strategy

**Iwasaki:** Since the YUASA PRIDE Project was first launched, Personnel Department staff have played a central role in implementing related measures. However, for the first time in YUASA TRADING's long history, we have also experimented with holding workshops that are open to all employees to participate in. As the general manager of the Personnel Department, I have found it very encouraging to see how employees have brought their own unique perspectives to these workshops, and to see how they have recognized that the project is of direct relevance to them personally. For the YUASA TRADING Group, investment in human talent is a prerequisite for realizing sustainable growth, and it was clear that we needed to cultivate a corporate culture in which employees would feel proud to work for the YUASA TRADING Group, and an environment in which employees sincerely felt that their own personal growth was linked to the Company's growth; that is to say, we needed to realize an organizational ethos characterized by high employee engagement. This was the starting point for the YUASA PRIDE Project. We are challenging ourselves to link together the Company's growth strategy with the work satisfaction and personal growth of each individual employee.

**Ohori:** Although we had implemented individual initiatives before, I



feel that integrating these different initiatives under the framework of the YUASA PRIDE Project to demonstrate the Company's strong commitment was very meaningful. One major achievement from the project is that, through the holding of 88 workshops and of discussions with task force members, we have realized just how many employees would like to see a reinvigoration of intra-company

communication, because we have been able to hear this from them in their own words. We also felt that employees generally had a positive response to the "Talent Profile" that the Company has announced, and that employees were looking forward expectantly to the changes that are being planned.

**Matsuno:** With employees who are eager for change putting forward a wide range of different views, great importance has been attached to the key aspect of the project, which is linking together employees'

## Human Resources Strategy

### — Personnel Department Round-table Discussion Meeting — Addressing Priority Issues: YUASA PRIDE Project

growth with the Company's growth so that there is no divergence between employees' expectations and the future that the Company is aiming to realize. A further point is that, as was noted just now, with the project involving listening to the views of employees who have differing standpoints, and different conceptions of what needs doing to improve the Company, the question of how to build a personnel system and implement talent cultivation in a way that integrated these differing views was a shared problem that all the members of the project implementation team were concerned about, and which we were constantly discussing as we proceeded with project implementation.

#### ▶ Insights Obtained Through a Lively Exchange of Views with Employees

**Iwasaki:** I feel that the exchange of views across units and business locations has been very stimulating for the participating employees, and has led to new communication avenues and new insights. In particular, when we held workshops on "Regard for the Individual," we provided training to enhance employees' understanding of unconscious bias. We feel that, given the need to build a fair and equitable environment in which diverse human talent can fulfill their potential, it is important to foster understanding of unconscious bias and implement strategies to address it.

**Ohori:** Using the workshops and task force meetings to respond (in a systematic manner) to the hopes expressed by employees with different perspectives and different career paths is challenging. While we believe that respecting and effectively utilizing the different personalities of human talent with diverse values and from diverse backgrounds can be a

foundation for innovation, we have also come to appreciate the difficulty of designing a system that takes into account how this can actually be realized in practice. Nevertheless, we will be striving to put as many of the employees' ideas as possible into effect, while aiming to integrate them with the Company's overall policy and strategy.

**Matsuno:** By exposing people to diverse values and encouraging them to



consciously change their behavior, we can build a fairer environment and organizational culture in which everyone can fulfill their potential. I felt that, by using the workshops as a starting point, we could generate an awareness of how people can change the corporate culture and ethos through their own actions.

**Ohori:** I feel that, in this project, an important part of the mission

is to transform the management structure in parallel with transforming the human resources system. By implementing these two reforms in combination, we can strengthen employee engagement and unlock the potential of the organization as a whole to the maximum possible extent.

**Iwasaki:** I would add that, when implementing this project, what I feel to be its biggest strength is that it aims to realize systemization while combining a top-down approach that embodies the Company's management strategy with a bottom-up approach that canvasses employees' views through the use of workshops and other measures. What we are seeking to do is to outline the strategic direction that the Company is aiming to move in, and align this with the actual expectations of employees. I believe that, rather than engaging in one-sided systemic reform, there is real value in having a process whereby the Company in its entirety and its employees are aiming for the same future.

**Matsuno:** We have also engaged in extensive consultation with the management team to determine what constitutes an appropriate management structure, linked with the human resources system that can enable each individual employee to maximize their potential. I believe that, by having a suitable management structure to cultivate and evaluate the capabilities and actions that are required by the human resources system, it should be possible to achieve a simultaneous enhancement of both employee engagement and the performance of the organization as a whole.

#### ▶ What has Come into Focus Through the Project

**Iwasaki:** I feel that, over YUASA TRADING's long history, a corporate culture has taken root that emphasizes challenging oneself to realize transformation. I believe that, by bringing together diverse values to build a foundation for innovation, and by working together with the employees to achieve change in both the human resources system and the management structure, we can challenge ourselves to realize sustainable growth for the Company.

**Matsuno:** We want to build systems and a corporate ethos that enable every YUASA employee to feel that, "At this company, I can achieve personal growth" and "Working together with my colleagues at this company, we can achieve our goals."

**Ohori:** I feel that, through this project, we have been able to perceive how the Company is changing, and to stimulate and cultivate a steadily growing awareness of these changes amongst employees. Human talent is a very important asset for a business enterprise, and I hope to be able to make a contribution toward generating a virtuous circle oriented toward ongoing investment in human talent, which in turn leads to business growth, and ultimately a sustained increase in corporate value.

**Iwasaki:** I would like to make a final point, which is that in implementing this project we have benefited from extensive collaboration and support provided by YUASA TRADING employees. I also feel that the Company's stakeholders have their own expectations regarding the personal growth of our employees. Rather than just focusing on changing systems and frameworks, going forward we will continue to emphasize dialogue with employees, and will be making effective use of improvements to the human resources system and workplace environment to strengthen the relationship of trust between employees and the Company, which in turn will lead to enhanced employee engagement. I believe that we need to be doing our utmost to make the YUASA PRIDE Project a success, so that we can build an environment in which both individuals and the organization as a whole can continue to grow, and use this as the foundation for a sustained increase in corporate value.

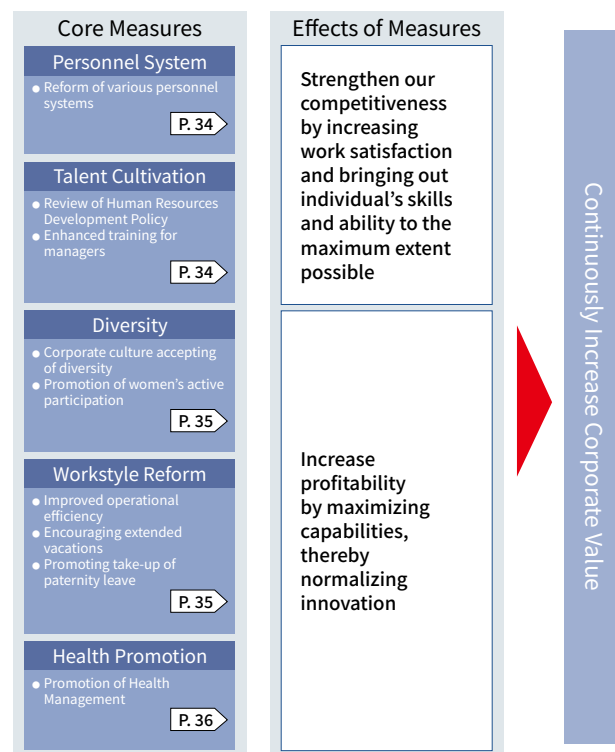


## Human Resources Strategy

### ▶ Reforming Corporate Culture to Strengthen Human Resource Capabilities

By becoming a business group that has a clear picture of its ideal human talent (talent profile), which is based on our corporate philosophy, we will increase employee work satisfaction and create a more employee-friendly working environment, ensure that innovation becomes the norm, and enhance overall corporate competitiveness.

We are reforming our personnel system, building a new working environment, and strengthening governance, with the aim of building a corporate culture in which the “TSUNAGU” innovation that is a goal of the Medium-term Management Plan becomes commonplace.



### ▶ Personnel System

We are in the process of formulating a personnel system that will facilitate both sustainable growth for the Company and personal growth for its employees.

One of the criteria in our talent profile is that we need human resources who can help solve our partners' and society's problems. We are exploring various systems that will enable us to recruit and cultivate sufficient high-caliber human talent with this ability.

#### [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 System]

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 System]

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

	FY2022	FY2023	FY2024
Number of Proposals in the New Business Proposal System	57	60	66

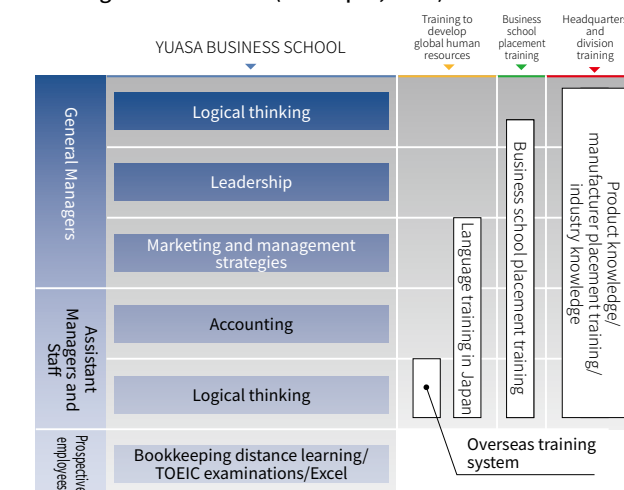
Note: Applications are open to all Group employees in the categories of “new business,” “new function,” “new product” and “new market.”

### ▶ Talent Cultivation

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

More specifically, we will systematize management skills training through the effective utilization of training provided by business schools, and specialized skills training through training provided at the Company's headquarters and through support to help employees obtain professional qualifications, as well as systematizing digital skills training, and global skills training such as overseas trainee programs and foreign language training.

#### Training Structure Chart (as of April, 2025)



#### Specific Initiatives

- Enhancement of management skills  
Besides continuing to implement the manager-focused management skills training that is being carried out at business schools, the scope of this program has been expanded to cover mid-level and general employees.
- Cultivation of global human talent
- Cultivation of digital transformation (DX) human talent [P. 26](#)



## Human Resources Strategy

### Diversity and Workstyle Reform

#### 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.

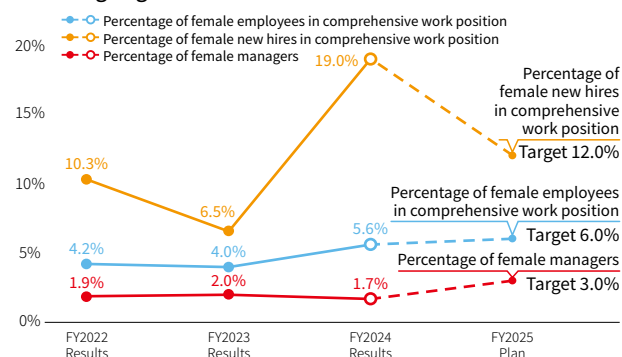
We will also seek to enhance corporate value by encouraging a transformation in the mindset and behavior of each and every employee, creating an employee-friendly environment, promoting diversity management throughout the YUASA TRADING Group, and generating innovation.

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



#### Indicators and Targets

**[Diversity—Promotion of Women's Active Participation]**  
**KPI for Medium-term Management Plan**  
**“Growing Together 2026”<sup>\*1</sup>**



<sup>\*1</sup> Indicators for YUASA TRADING (non-consolidated)

#### [Diversity—Promoting of the Active Participation of Foreign-national Employees]

As of April 1, 2025, the Company had 11 foreign-national employees (this includes only employees of YUASA TRADING Co., Ltd.; it does not include foreign employees of other Group companies).

#### 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.

	FY2023 Results	FY2024 Results	FY2025 Plan
Special service positions (in transfer trial period <sup>*2</sup> )	8	2	1
Comprehensive work position transfers	0	6	2

<sup>\*2</sup> There is a two-year trial period for a career track transfer from general office work positions to career-track positions, during which time the employees are classed as holding a special service position.

#### Topics

#### Toward 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]

As part of the quantitative targets for the Medium-term Management Plan “Growing Together 2026,” the following non-financial KPIs have been set:

	FY2023 Results	FY2024 Results	FY2025 Plan
Percentage of male employees taking childcare leave and leave for the purpose of childcare	72.5%	74.4%	100%
Percentage of taking paid leave	67.8%	64.0%	70.0%
Average hours of labor	1,934 hours	1,923 hours	1,920 hours

Note: Indicators for YUASA TRADING (non-consolidated)

#### Voice

#### Embodying Diversity and Striving to Become Next-generation Global Talent

Since joining the YUASA TRADING Group in 2022, I have been involved with direct sales to end users at the Chubu Branch of YUASA NEOTEC CO., LTD. This involves visiting manufacturers and end users, and proposing and selling parts and equipment, as well as carbon-neutral products. By repeatedly engaging in dialogue with customers on a daily basis, I am able to gain insights into customers' needs, and I also liaise closely with the product design and product development departments, striving to provide product proposals that align with customers' actual circumstances. I need to think, from my own perspective, not only about customers' expectations in terms of functions, cost, and delivery schedule, but also about potential issues, so that I can propose optimal solutions.

When I think about how components that I have delivered personally are incorporated into finished products that are used in a wide range of applications within society, I get a real sense of how my job is linked to the wider world. What is more, I find that the moments when I am able to see for myself, from up close, how equipment is actually used on the production frontline, and feel that something I am involved with is helping to support manufacturing, are highly motivating.

I have now been with the Company for four years, and have been able to build up experience in sales in the Japanese domestic market. Looking ahead, my aim is to create value on the global stage by making effective use of my international background and the product proposal capabilities and ability to respond to customer needs that I have cultivated while working in domestic sales.



Winata Tati Mariana  
YUASA NEOTEC



## 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 a “2025 Certified Health & Productivity Management Outstanding Organization”]

Continuing from last year, YUASA TRADING was recognized for the seventh 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 (FY2024)\*1

Regular health checkup rate	100%
Stress check rate	99.8%

\*1 Indicators for YUASA TRADING (non-consolidated)

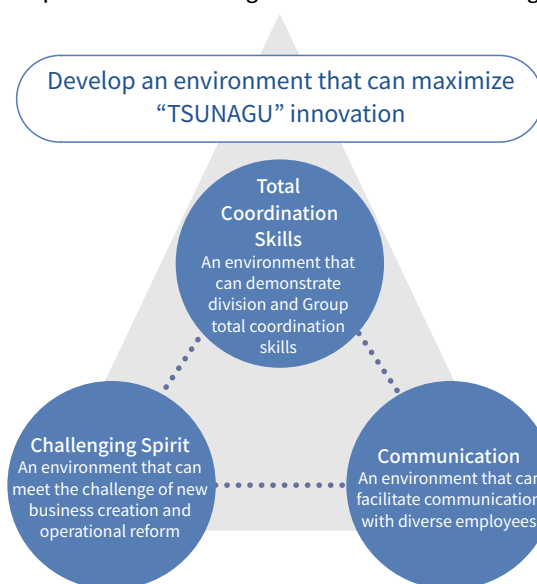
### Development of the Working Environment

#### Objective of Working Environment Development

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

We believe the environment in which we carry out our roles is as important as system reform in order to increase employee work satisfaction and create a more employee-friendly working environment. 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



### Initiatives to Support the Cultivation of the Next Generation

#### Childcare Support System

- No. of employees taking childcare leave or leave for the purpose of childcare: 53  
(21 female employees and 32 male employees)
- Percentage of employees taking childcare leave who subsequently returned to work: 96.8%
- No. of employees making use of the system for reduced working hours to support childcare: 58  
(This system can be used up until the point when the child finishes the third grade in elementary school)

The Company has also put in place other systems to support childcare, including the nursing care leave system.

\*2 Data are for YUASA TRADING (non-consolidated).

#### System Users' Comments

- I have taken maternity leave and childcare leave on two occasions, and I am currently making use of the reduced working hours system. The Company takes into account the fact that there may be limits on how much work you can realistically take on after returning to work, and overall I feel that the Company has succeeded in creating a working environment in which employees can tailor their workstyle to suit their current life stage. (Matsuri Takasugi, Living Environment Market Department, Tohoku Region)
- With our second child due soon, I have decided to take childcare leave for a second time. The first time, I only took one week of childcare leave, but this time I am planning to take around three months. I will need to ask someone else to take over my work during this time, but everyone (including my supervisor) is being very supportive, so it looks as though I should be able to take childcare leave without any problems, which I am very grateful for. I want to spend more time with my family and focus on childcare. (Takuma Owada, New Business Development Department)



An employee who is making use of the Company's childcare support system

- I am able to undertake my day-to-day work while making use of various childcare support systems and I am very grateful to my supervisor and the other team members in my unit for their support. (Yuri Ishikawa, General Affairs Dept.)

# Human Rights Initiatives

## 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, in partnership with diverse stakeholders, we have established the YUASA TRADING Group Transaction Policy. Under this 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/>



## Respect for Human Rights

### Compliance with Human Rights Policy

**YUASA TRADING Group Human Rights Policy**  
<https://www.yuasa.co.jp/en/sustainability/society/human-rights/>



### Promotion System

The YUASA TRADING Group has established a sub-committee, the members of which include representatives of the General Affairs Dept.'s IR・Sustainability Promotion Dept. and of the Legal Affairs Dept., the Credit Dept., and the Internal Auditing Office. The sub-committee formulates draft policies relating to human rights, implements human rights due diligence, performs risk and impact assessment, implements related training, and formulates implementation plans. When necessary, the sub-committee liaises with the Ethics and Compliance Committee, to implement human rights risk management for the Group as a whole.

The contents of the sub-committee's discussions are reported to the Sustainability Promotion Committee, which functions as an advisory body for the Board of Directors. The Sustainability Promotion Committee reports and deliberates on human rights related measures in the Group and on risks that are of high importance and submits regular reports to the Board of Directors. The Board of Directors decides on response measures and strategies in relation to human rights risks that are a particularly high priority.

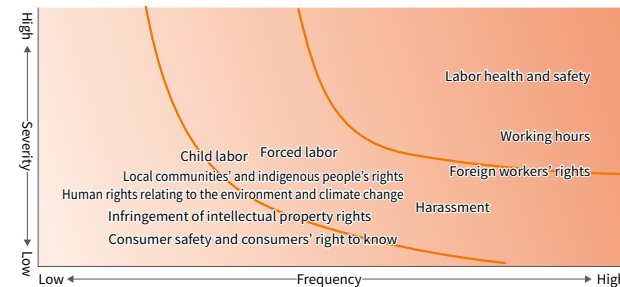
## Human Rights Due Diligence

### Methods for Identifying and Assessing Risks

To identify human rights risks throughout the entirety of the Group's business activities, information is collected both within and outside the Company, and an internal sub-committee discusses which kinds of human rights risks are present in relation to the industry characteristics of major products and the product value chain as a whole. The sub-committee then evaluates the frequency with which these risks emerge and their severity.

When assessing human rights risk by industry sector, we have referred to the Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains released by Japan's Ministry of Economy, Trade and Industry in 2023, and has implemented assessment based on a questionnaire survey administered to the Group's business partners.

### Human Rights Risk Mapping in Relation to the YUASA TRADING Group's Value Chain



### Risk Assessment Results (In Relation to Risks of Particularly High Significance)

Based on the human rights risk assessment results, it was determined that there was a possibility of the following types of risk emerging:

- The possibility of labor health and safety issues and issues relating to working hours, etc. in relation to the manufacturing of some of the products that the Company handles
- The possibility of labor issues (forced labor and/or child labor) in relation to raw materials production or product manufacturing for some of the products that the Company handles
- The possibility of issues relating to working hours or other matters within our Group

## Preventing and Mitigating Negative Impacts, and Periodic Monitoring

### [Addition of Human Rights Clause to the 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.

### [Establishment of an Employee Hotline]

See [P.49], “Ethics and Compliance”

### [Implementation of Training]

To enhance human rights risk awareness within the Group, over the period January–June 2024 we implemented the “Project to Regard for the Individual” as an initiative to address unconscious bias\*, with all employees taking part. The aim was to enhance employees' knowledge of the relationship between business and human rights, and reduce unconscious bias. In addition to this, in January 2025, harassment prevention training was implemented for all YUASA TRADING Group employees.

Going forward, we will continue to implement training aimed at enhancing awareness and understanding the relationship between “Business and Human Rights” throughout the entire Group on an ongoing basis.

\* “Unconscious bias” is bias or prejudice that a person has without being aware of it.

### [Implementation of a Business Partner Survey]

Besides promoting the Group Transaction Policy throughout the value chain, starting from FY2024 the Group has also been administering a survey to business partners to verify how they are responding to sustainability requirements and to human rights risks, in order to promote effective risk management across the entirety of the Group's business operations. In the first year of survey implementation (FY2024), the survey was administered to suppliers accounting for approximately 80% of the total transaction volume of YUASA TRADING on a non-consolidated basis.

# Corporate Social Responsibility (CSR)

## Supporting Young Athletes Who Hold the Future of Their Sports in Their Hands

As part of our CSR activities, we support young athletes who will play an important role in their respective sports in the future, including two female professional golfers: Minami Hiruta and Hikari Tanabe.

We have had a sponsorship agreement with Ms. Hiruta since 2017, and in 2019 we signed an affiliation agreement with her. Having won her first professional victory in the Japan Ladies Professional Golfers' Association (JLPGA) Tour "Cat® Ladies Golf Tournament" in August 2023, this young golfer is expected to have a bright future. In the 2024 season, Ms. Hiruta ranked 26th in the Mercedes Ranking, which evaluates golfers' overall performance over the course of the year, and she was seeded for participation in JLPGA tour 2025 season.

Ms. Tanabe, who we signed a sponsorship agreement with in 2017, put in a dedicated performance in 10 games during the 2024 season.

By supporting sporting activities through our 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 by encouraging employees to participate actively in sporting activities. An attitude of constantly continuing to challenge oneself to achieve one's goals can be seen as embodying the YUASA TRADING Group's corporate philosophy and code of conduct, and going forward, we will continue to actively support young sportspeople who are expected to play a leading role in their respective sports in the future.



Minami Hiruta, Professional Golfer



Hikari Tanabe, Professional Golfer

## Activities to Support Children's Personal Growth

### Donating to the Ashinaga Foundation

YUASA QUOBIS CO., LTD., a YUASA TRADING Group company, has been donating to the Ashinaga Foundation, an NPO, since 2018. Part of the proceeds from the sale of certain YUASA QUOBIS private-label "Original Doorpost" and "Original Nameplate" products, including functional doorposts equipped with a parcel delivery box, is donated to the Ashinaga Foundation to support its efforts to provide economically disadvantaged children with a learning environment that enables them to study with peace of mind.

This activity embodies the concept expressed by the employee who originally proposed it, which was "to enable company employees to take pride in being part of an enterprise that contributes to society in a visible way, and to foster a positive attitude toward private-label products." Looking ahead, we will continue supporting children's futures and contributing toward the building of a brighter society.



YUASA QUOBIS's original doorpost product

### Education Support Activities in Malaysia

Since April 2020,\* in collaboration with the Japan Malaysia Association, we have been implementing the YUASA TRADING Forest Project, an environmental conservation initiative in the Sungai Merbok Forest Reserve in Kedah, Malaysia that aims to maintain the country's forests and biodiversity through the regeneration of the mangroves.

As part of this project, we have been implementing an Education Support Program, the aim of which is to use mangrove forest conservation activities to strengthen enthusiasm for education and creativity among elementary school children living in areas near the district where the project is being implemented. In February 2025, we donated schooling support materials to approximately 200 elementary school pupils living in these areas. Income levels are low in this region, and many children are living in low-income households that receive government welfare subsidies. The materials that were distributed included stationery and also other schooling support materials (such as school uniforms, shoes, book-bags, etc.). In this region, efforts to enhance enthusiasm for learning amongst children, who represent the future, constitute an important mission. By providing support on an ongoing basis, we are assisting local educational activities and measures to enhance living standards; the YUASA TRADING Group will be continuing to implement activities that are aligned with local needs.

As regards environmental conservation activities, in FY2024 we responded to a request from the local Forestry Department in Penang State, where the Universiti Sains Malaysia (USM), a national university, is located, and undertook the cultivation and planting of 5,000 tree seedlings; this included, for the first time, tree-planting in the Sungai Aceh protected forest zone.

We will continue implementing the YUASA TRADING Forest Project until March 2030. In the future, Group employees will continue to participate in tree-planting and environmental education programs, and to work on initiatives with students from local universities and people from the local community to maintain and preserve the natural environment of Malaysia.

\* Actual activities began in FY2022 due to the impact of the COVID-19 pandemic.



Areas where tree-planting was implemented in FY2024



Presenting schooling support materials

# Outside Directors Round-table Discussion

We discussed the YUASA TRADING Group's expected future growth and the state of its corporate governance.



**Miki Mitsunari**  
Outside Director

**Yoshiro Hirai**  
Outside Director

**Shinzo Maeda**  
Outside Director

**Yukiko Machida**  
Outside Director

## ► Nine Years of Business Reforms Bear Fruit

**Q:** YUASA VISION 360 was formulated in 2017.

**How do you view the changes in the YUASA TRADING Group over the course of this nine-year, long-term vision, from your position as an outside director?**

**Maeda:** I joined as an outside director in 2015, and have been involved with YUASA VISION 360 for the past eight years. Few companies can envision where they need to be nine years in the future, so at the time it was formulated, I thought it was quite a bold move.

I think the goals set out in the vision, such as transforming into a profit-oriented structure and promoting growth strategies, are steadily yielding results. However, if I were to point out a challenge, it would be our international business. Demonstrating a commitment to global growth calls for leadership, but more importantly, leadership backed by tangible results. Currently, our international share of consolidated net sales is around 6%, but if we can push that share to 10% and keep growing, I'm sure the mindset of the Company as a whole will start to shift. I hope we can steadily expand our presence through ongoing efforts, such as hosting

the Grand Fair in Thailand and establishing new international operations.

**Mitsunari:** During a previous web meeting with a representative from a foreign environmental business, the uniqueness of YUASA TRADING's business model became a topic of discussion. It's not just about selling products. We also offer installation services and provide information on relevant regulations and subsidies, a one-stop solution that helps customers determine which equipment or facilities best suit their needs. I think this is a real strength. Since YUASA TRADING Group is already developing this business in Japan, I see a real opportunity to expand it internationally.

**Hirai:** International expansion isn't just about the business model. It's also about getting people to turn their motivation in an international direction. Rather than taking a foreign posting simply because the Company told you to do so, I think it's important to create an environment and culture where people feel that YUASA TRADING Group's international assignments have appealing aspects that motivate them to grow internationally too.

**Maeda:** Mr. Hirai's comment reminds me of a woman I know who volunteered for an assignment in Indonesia and took her young child with her. She told me there was a widespread babysitter culture in the region where she was assigned that helped facilitate her exceptional work performance, even while in a foreign country, before returning to her original posting. Of course, strong personal determination was a major factor in her choosing to work abroad. But we need to eliminate the fixed idea that parents or people with children aren't suited for international assignments.

**Hirai:** That anecdote is a good example of the importance of staying true to your own principles and values in your work. In traditional Japanese companies, people tend to be praised based on their performance compared to standards set by the Company or some other person. But you can't demonstrate your true capabilities when your motivation isn't truly yours.

**Mitsunari:** Outside Japan, the emphasis is often more on how well you perform with your team, rather than on the Company's values per se. Because our employees possess advanced specialist expertise and communication skills, I think they'll be well suited to drive international expansion, where individual relationships are key.

In FY2024, we made strategic investments such as acquisition of HENKO Group and LINE-UP CO., LTD.. Furthermore, I get a concrete sense of tangible progress in strengthening our international network and broadening business domains.

**Machida:** Because our current performance is strong, I hope we can invest actively, not only in financial but also in non-financial areas, to build the foundation needed for future growth.

## ► The Mindset Required for an Era When Uncertainty Is the Norm

**Machida:** With society and its values changing rapidly, I think it's increasingly important for companies and organizations to incorporate diverse values into their foundations.

At the recent Grand Fair in Thailand, more than 40 young employees made the trip from Japan to support the event. I think the stimulus they experienced was very good for them. I also sense that the increasing number of employees indicating interest in getting involved with YUASA TRADING Group's international business will not only contribute to bolstering its global expansion, as we discussed, but is also linked to a diversification in employee interests and a broader realization of diversity.

When we hear the term "diversity," discussion tends to focus on consideration for people's attributes, or ensuring equality, but the real point of diversity is diverse values within the Company. I think such diversity creates new challenges for employees, drives personal growth, and encourages organizational transformation. Going forward, I hope we can create opportunities whenever possible for employees to explore a wide range of interests and passions.

**Mitsunari:** As Mr. Machida said, non-financial value is increasingly being used in investment evaluations. In addition to the environment and climate change, the scope of human capital disclosure is expanding. I think it would be helpful to highlight individual employee strengths in terms of expertise and knowledge.

In terms of change, I think YUASA TRADING Group has endured for nearly 360 years precisely because it has been able to adapt flexibly to the times in products, services, organizational structure, and so on. The current era is also one of significant change, and it's important to make nimble decisions about which areas to maintain and invest effort in, and which to reassess.

## Outside Directors Round-table Discussion

**Maeda:** Change sometimes means denying your past self.

As times and society evolve, so do values and standards. The question then becomes whether you can steer resolutely toward transformation, without being held back by past judgments or customs. Reflecting on one's own actions and decisions and noticing a need for change would seem simple, but it's very difficult. I think leaders in particular must be able to recognize the necessity for change objectively, and take action before circumstances force them to. I believe that supporting the Company's efforts to keep changing in the right direction is an important oversight function for us as outside directors.

**Hirai:** Because we are a Service Integrated Shosha Group, I believe we contain infinite potential for transformation.

Of course, the number of combinations we could create using "TSUNAGU" thinking to create value is endless, when we consider the tens of thousands of key business partners we have and their products and data. But only those working on the front line are positioned to notice that value and potential.

That's why, to create new connections and combinations, we need individuals who notice and take an interest in things, and who stay true to their own principles and values instead of acting on those of others and simply joining up the dots as told. Expanding the number of people who think this way should help build a genuinely sustainable organization that can adapt to change.

### Strengthening Governance and Promoting Sustainability to Enhance Value Across the Entire Supply Chain

**Q:** As members of the Governance Advisory Committee and the Sustainability Promotion Committee, YUASA TRADING Group's outside directors participate in discussions concerning corporate governance and sustainability. How do you view the changes that have resulted from these discussions, and future efforts?

**Maeda:** The essence of corporate governance lies in ensuring both transparency and fairness.

During this period, through discussions within the committee, we advanced initiatives to enhance transparency and fairness, such as reforming the executive remuneration system and abolishing the advisor system. At the same time, to improve speed of execution and effectiveness of oversight, we reviewed the board's resolution items and submission criteria regularly. As chairperson, and from an external perspective, I believe these discussions have resulted in a better brake and accelerator, so to speak.

Going forward, I hope to build on these achievements and continue to refine our approach through ongoing dialogue that matches the changing times, such as exploring more incentive-driven executive remuneration models.

**Mitsunari:** The Sustainability Promotion Committee was established in 2021, and I believe that significant progress has been made thanks to discussions held during this period, for example in strengthening the disclosure of non-financial KPIs and developing a robust promotion framework. The publication of the integrated report is an example.

Mr. Hirai mentioned the importance of staying true to one's own principles and values, and I think that concept is of the essence of sustainability. By identifying key themes tailored to each individual, department, or Group company based on their specific business content and characteristics and engaging actively with them, we can encourage new ideas and demonstrate synergies within the Group. I hope this will generate business activities that are even more dynamic and engaging.

**Hirai:** Acting while staying true to one's own principles and values means being able to think through the "why." Why should I do this?

Take for example the theme of promoting women's advancement. The goal isn't simply to increase their headcount. It's about cultivating a corporate culture where diverse ideas can circulate. When we can correctly envision the future we should aim for, we won't be influenced by trends or lose our focus. Whether it's governance or promoting sustainability, I hope YUASA TRADING Group's efforts will propagate positive effects throughout the supply chain.

**Maeda:** If the efforts continue, I'm sure they will have that kind of effect

on the supply chain.

**Mitsunari:** Some of our business areas may have a reputation as male-dominated, but even in industries with that sort of image, I think there are quite a few instances where women are a great fit and bring unique strengths.

**Machida:** I think it would be beneficial to create more opportunities for participation, regardless of gender, not only in outward-facing roles like interfacing with customers, but in internal forums like management meetings. Actively promoting cross-departmental redeployment could also be a valuable strategy for enhancing organizational diversity.

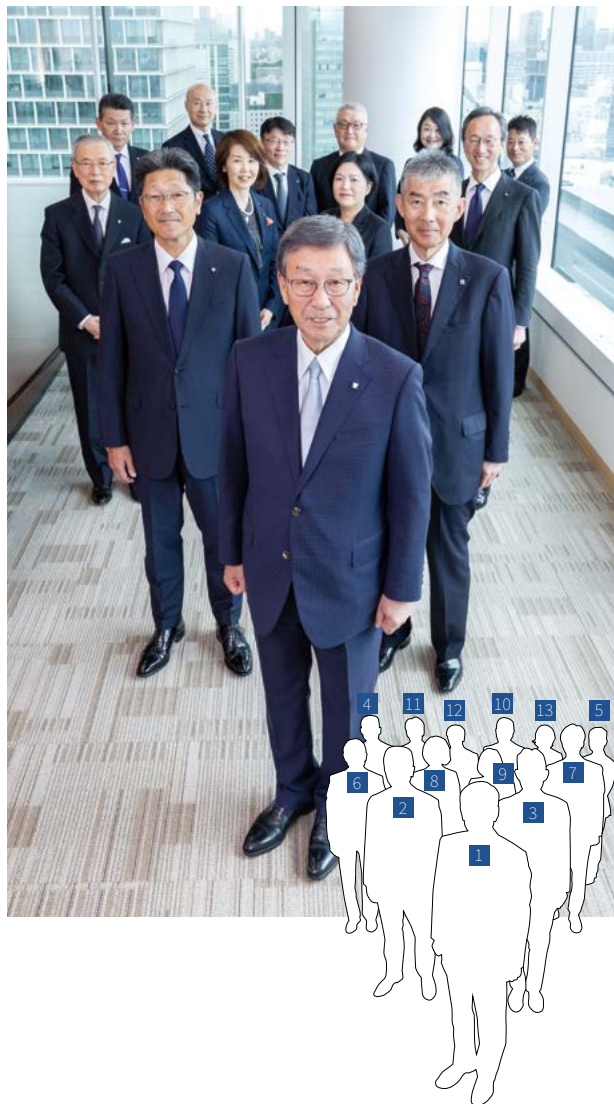
**Mitsunari:** Speaking of internal discussions, during this term we had a valuable opportunity to engage in individual conversations with our full-time internal directors, allowing us to share insights in such areas as the business and its current challenges. I hope to see more of these informal discussions in the future.

**Machida:** I agree. Going forward, I hope to deepen close discussions on non-financial value, not only through the Board of Directors, but also via the Governance Advisory and Sustainability Promotion Committees, while sharing current perspectives with the internal directors.

**Hirai:** I believe the role of these committees is to connect insights gained from external perspectives with the special knowledge and passion of our internal directors. Through continuing active discussions, I hope to help YUASA TRADING Group extend its 360 years of operation into the future.



# List of Officers (as of June 25, 2025)



## 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 SHOUJI EUROPE B.V.  
Oct. 2007 General Manager of Factory Solution Division of the Company  
Apr. 2007 Executive Officer, General Manager of Factory Solution Division of the Company  
Apr. 2009 Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company  
Jun. 2010 Managing 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, 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, 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 business unit and machine tools business unit due to his serving in such capacities as Director, Executive Officer, 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.

## 2 Kenichi Tanaka

Representative Director  
Senior Managing Director  
Chief General 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, General Manager of Living Environment Market Headquarters, Chief General Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company  
Jun. 2017 Managing Director, Executive Officer, General Manager of Living Environment Market Headquarters, Chief General Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company  
Jun. 2019 Senior Managing Director, Executive Officer, General Manager of Living Environment Market Headquarters of the Company  
Apr. 2020 Senior Managing Director, Executive Officer, Chief General Manager of General Sales and 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 Administration 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 Administration 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 housing, air and fluidic control systems business unit as Senior Managing Director, Executive Officer, Chief General Manager of General Sales, and General Manager of Living Environment Market Headquarters as well as extensive experience and a proven track record from having worked to strengthen governance of the Company and the YUASA TRADING Group and reinforce our business foundation as Representative Director, Senior Managing Director, and Chief General Manager of Management Administration.

## 3 Mamoru Hamayasu

Managing Director  
Chief General Manager of General Sales  
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 Chief General Sales Manager of YUASA TRADING (SHANGHAI) CO., LTD.  
Apr. 2014 Chief General Manager of East Asia Area of the Company, and Chairperson and President of YUASA TRADING (SHANGHAI) CO., LTD.  
Apr. 2015 Executive Officer, Chief General 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 NEOTEC CO., LTD.)  
Apr. 2021 Executive Officer of the Company, and Representative Director, President of YUASA NEOTEC CO., LTD.  
Jun. 2021 Senior Executive Officer of the Company, and Representative Director, President of YUASA NEOTEC CO., LTD.  
Apr. 2022 Senior Executive Officer, General Manager of Industrial Market Headquarters of the Company  
Jun. 2022 Director, Executive Officer, General Manager of Industrial Market Headquarters of the Company  
Apr. 2024 Managing Director, Executive Officer, Chief General Manager of General Sales and General Manager of Industrial Market Headquarters of the Company (incumbent)

### Reason for election

Mr. Mamoru Hamayasu has a thorough knowledge of the industrial equipment and tools business unit and machine tools business unit, with a wealth of experience and a proven track record, having served as Executive Officer and Senior Executive Officer for the YUASA TRADING Group, as a representative of some of the Company's overseas subsidiaries and as Representative Director, President of YUASA NEOTEC CO., LTD., and General Manager of the Industrial Market Headquarters.

## 4 Takaomi Omura

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

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

### Reason for election

Mr. Takaomi Omura has thorough knowledge of the construction machines business unit and building materials business unit and a wealth of experience and a proven track record, as Director and General Manager of the Construction Market Headquarters, and having served as Representative Director, President & CEO of the Company subsidiary, YUASA MACROS CO., LTD.

## List of Officers (as of June 25, 2025)

### 5 Maresuke Takeo

Director  
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, 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 business unit and a wealth of experience and a proven track record, having served as Executive Officer, General Manager of the Living Environment Division (Western Area) and as General Manager of the Living Environment Division (Eastern Area) and as Director, Chief General Manager 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)  
Jun. 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 on sustainability 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, with the Company thus having 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 Hiromitsu Otani

Audit & Supervisory Board Member

Apr. 1986 Joined the Company  
Feb. 2015 Assistant Deputy General Manager of General Affairs Department  
Apr. 2017 General Manager of General Affairs Department  
Apr. 2021 Executive Officer, General Manager of General Affairs Department  
Apr. 2025 Executive Officer, Audit & Supervisory Board Members Office  
Jun. 2025 Full-time Audit & Supervisory Board Member (incumbent)

#### Reason for election

Mr. Hiromitsu Otani has extensive experience of and insights on business and company management, having served as Executive Officer and General Manager of the General Affairs Department, with the Company thus having decided that he is capable of conducting appropriate audits of business execution from an objective and impartial standpoint.

### 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

Ms. Yukiko Machida is a licensed attorney with an advanced level of expertise, particularly in relation to labor law, and publishes and lectures extensively on women's active participation and empowerment as well as harassment and has experience as an outside director at a listed company, with the Company thus having decided that she can be expected to take on an advisory role and make recommendations designed to ensure the legality and soundness of decision-making by the Board of Directors, as well as providing advice and recommendations on issues pertaining to the Company's human resources and labor affairs.

### 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 (retired in September 2024)  
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 is an expert on tax matters due to his many years working for the National Tax Agency and as a university professor, and experience as an Outside Director of YOKOREI Co., Ltd. with the Company thus having decided that he possesses ample 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 Chief General Manager, Marketing Strategy Department Group of ITOKI CORPORATION  
Jan. 2013 Executive Officer and Chief 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 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.

### 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

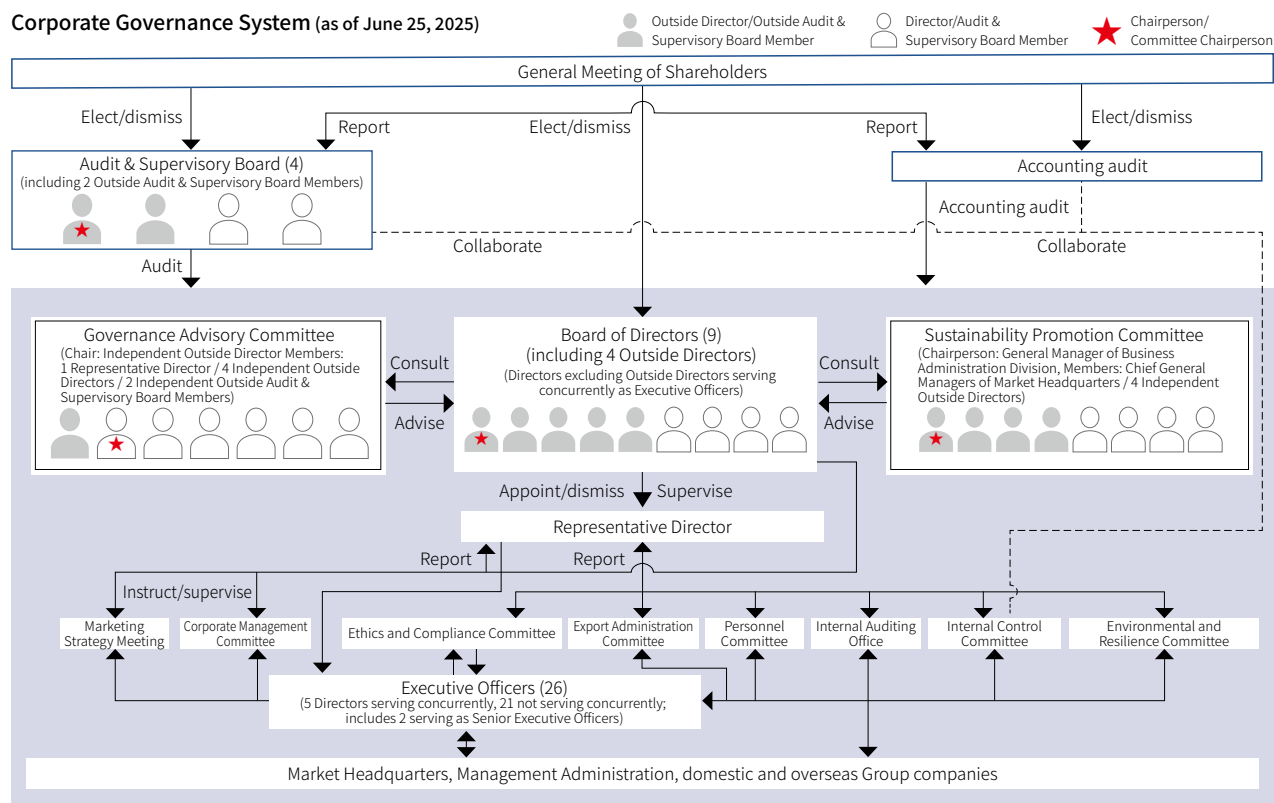
# Basic Approach to Corporate Governance

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, 2025

## Corporate Governance System (as of June 25, 2025)



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.

## Timeline of Corporate Governance Strengthening Efforts

### FY2024

- Verified the rationality of holding cross-shareholdings in accordance with the Securities Investment Guidelines
- Held Independent Outside Directors exclusive discussions

### FY2023

- Continued reducing cross-shareholdings
- Reviewed 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 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 Directors
- Eliminated advisor system

### FY2018

- Introduced performance-linked share awards

### 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 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 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, the Company reviews the criteria for Board of Directors meetings as appropriate, and convenes meetings attended only by Independent Outside Directors for the purpose of exchanging information and establishing a shared awareness based on independent and objective viewpoints on the management of the Company. We will continue to make improvements that enhance the functions of Board of Directors meetings.

### 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 FY2025 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 results, measures to further improve the effectiveness are being considered and implemented. FY2023 Initiatives Based on Evaluation Results

#### Strengthening Governance Through Feedback on Evaluation Results

- Based on the evaluation findings and the principle of “separating oversight and execution,” we continuously carry out revisions and other related activities to the 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 (FY2024)	Number of Company Shares Held (as of June 30, 2025)
Hiroyuki Tamura	15 years	14/14	9,300 shares
Haruo Sanoki*1	12 years	4/4	—
Kenichi Tanaka	11 years	14/14	7,600 shares
Mamoru Hamayasu	3 years	14/14	2,200 shares
Takaomi Omura	2 years	14/14	700 shares
Maresuke Takeo*2	1 year	10/10	1,000 shares
Shinzo Maeda	10 years	14/14	—
Kyosuke Kimura*1	4 years	4/4	—
Yoshiro Hirai	2 years	14/14	—
Miki Mitsunari	2 years	12/14	—
Yukiko Machida*2	1 year	10/10	—

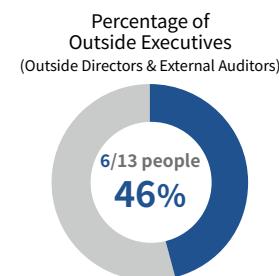
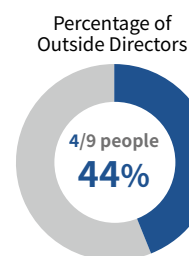
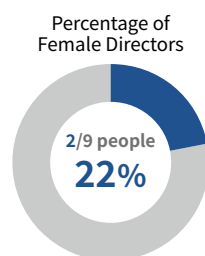
\*1 Denotes attendance record up to the 145th Ordinary General Meeting of Shareholders held on June 26, 2024.

\*2 Denotes attendance record after the 145th Ordinary General Meeting of Shareholders held on June 26, 2024.

### 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 (FY2024)
Yoshiyuki Furumoto	7 years	14/14
Takeshi Maeda	3 years	14/14
Mitsuhiro Honda	7 years	14/14
Chinami Kajo*4	2 years	14/14

### Board of Directors (as of June 26, 2025)




































## 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 Chief General Manager of Management Administration						
Mamoru Hamayasu	Managing Director Chief General Manager of General Sales General Manager of Industrial Market Headquarters						
Takaomi Omura	Director Deputy Chief General Manager of General Sales General Manager of Construction Market Headquarters						
Maresuke Takeo	Director 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 146th Ordinary General Meeting of Shareholders held on June 25, 2025, nine Directors (of which two are women) including four Independent Outside Directors were elected to increase the Company's sustainable growth and enhance medium- to long-term corporate value. More than a third of the board are Outside Directors, three of whom hold current appointments as business executives and have management experience at other listed companies.

## 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 improve 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

YUASA BUSINESS SUPPORT Co., Ltd., a consolidated subsidiary of the Company, has been entrusted with accounting processing for consolidated subsidiaries in Japan with the aim of enhancing control over these subsidiaries. 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 Takeshi Maeda, 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 Directors 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 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 is executing its 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 25, 2025)

Audit & Supervisory Board Member	Takeshi Maeda
Audit & Supervisory Board Member	Hiromitsu Otani
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, Shinzo Maeda, 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 three times in the fiscal year ended March 31, 2025 and reported to the Board of Directors on the following matters.

### Main Items for Discussion

- Matters related to the appointment and dismissal of Directors, Audit & Supervisory Board Members, and other officers
- Matters related to the remuneration of Directors and other officers
- Analysis and evaluation of the overall effectiveness of the Board of Directors, and deliberation on other governance and related proposals

\* Matters to be deliberated by the Governance Advisory Committee, which are to be submitted to the 146th Ordinary General Meeting of Shareholders, will be deliberated at the Governance Advisory Committee meeting to be held in March 2026 and reported to the Board of Directors.

Note: The Governance Advisory Committee submitted to the Board of Directors the matters they deliberated at the Governance Advisory Committee meeting, held in the fiscal year ending March 31, 2026, pertaining to items they later went on to discuss at the 146th Ordinary General Meeting of Shareholders.

### Composition of the Governance Advisory Committee (as of June 25, 2025)

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

In addition, Mr. Shinzo Maeda has been selected as the lead Independent Outside Director by means of an internal vote among the Independent Outside Directors. The lead Independent Outside Director will, as necessary, summarize the opinions of the other Independent Outside Directors, convey them to the Board of Directors and Audit & Supervisory Board, and deliberate on how to respond.

## Sustainability Promotion Committee

The Company has established the Sustainability Promotion Committee with the aim of promoting management practices that contribute to sustainability, including critical ESG issues, with the Committee reporting on sustainability policies and action plans to the Board of Directors, toward the achievement of sustainable growth and enhancement of the medium- to long-term corporate value of the YUASA TRADING Group.

The Sustainability Promotion Committee comprises three or more members appointed by the Company's Board of Directors, and deliberates on the following matters before reporting to the Board of Directors.

- (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) Matters 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 25, 2025)

Chief General Manager of Management Administration	Kenichi Tanaka (Committee Chairperson)
General Manager of Industrial Market Headquarters	Mamoru Hamayasu
General Manager of Living Environment Market Headquarters	Maresuke Takeo
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, 2025)

Categories	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of recipient directors (and other officers)
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors	253	137	70	45	6
Audit & Supervisory Board Members	50	50	-	-	2
Outside Directors	48	48	-	-	5
Outside Audit & Supervisory Board Members	20	20	-	-	2
Total	372	256	70	45	15

\*1 The above table includes two Directors who resigned at the conclusion of the 145th Ordinary General Meeting of Shareholders on June 26, 2024.

\*2 The limits of remuneration for Directors and Audit & Supervisory Board 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 six Directors (excluding Outside Directors) for this fiscal year.

\*4 Total amount of remuneration for Directors (excluding Outside Directors) does not include the ¥49 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 (b) Performance-linked remuneration.”

## Concept of Remuneration

### (1) Remuneration for Directors

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

(a) Basic remuneration: Monetary remuneration paid as a fixed sum depending on the position

(b) Performance-linked remuneration: 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 Board Members

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

Feedback obtained through dialogue with shareholders is 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 FY2024, a total of 25 IR meetings were held with institutional investors and analysts in Japan and overseas.

## Our Answers to Your Main Questions

Your questions	Answers
On impacts of downturn in machine tool orders and prospects for recovery	The Company's Machine Tools Business Unit derives a large portion of its turnover from orders for machine tools, and we recognize that this downturn had a particularly significant impact in FY2022 and FY2023. We believe that recovery in this market will take some time, due to factors such as trade policy and uncertainty surrounding the future of the automotive industry.
On methods and policies for shareholder returns	We are committed to returning profits to shareholders through dividends, and have set a goal in our Medium-term Management Plan "Growing Together 2026" of maintaining a standard of a minimum total payout ratio of 33% and a minimum dividend on equity (DOE) of 3.5%. Furthermore, we will actively continue to pay dividends.
On factors informing the continuous improvement of the gross profit margin	One factor which can be cited in the continuous improvement of the Company's gross profit margin is the development and expansion of high value-added products through our "TSUNAGU" solutions. We are collaborating with manufacturers and sales partners to develop and deploy products and services with proprietary functions and unique characteristics not available from other companies through the Company's sales network and feeding these efforts into improving profitability.

## 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 the Ethics and Compliance Committee under the direct control of the Representative Director and President, with the chair of this committee selected by the Representative Director and President from among the Directors. The Ethics and Compliance Committee formulates the “Ethics and Compliance Manual” and utilizes this alongside in-house training to increase its effectiveness while monitoring the compliance status alongside the Internal Auditing Office, thereby consolidating an ethics and compliance system that comprehensively covers the entire YUASA TRADING Group.

At the same time, we are expanding the scope of the Group’s ethics and compliance systems to encompass overseas subsidiaries and

promoting awareness-raising activities through the drafting of translations of the Ethics and Compliance Manual in English, Thai, and Chinese.

## Ethics and Compliance Hotline

A permanent hotline has been established to directly report to and receive advice from with the Ethics and Compliance Committee if Directors or employees of the Company violate or may have violated laws and regulation, 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. After receiving an inquiry or report, the Ethics and Compliance Committee will investigate the incident, enact measures to prevent reoccurrence, and endeavor to report important cases to the Board of Directors through the Representative Director and President.

Accompanying the revision of Japan’s Whistleblower Protection Act, 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 people eligible to seek advice to allow former officers and employees to also avail themselves of the hotline up to one year after leaving their positions.

In addition, we have distributed the Ethics and Compliance Handbook to all employees of YUASA TRADING Group companies in Japan to ensure access to internal reporting hotlines.

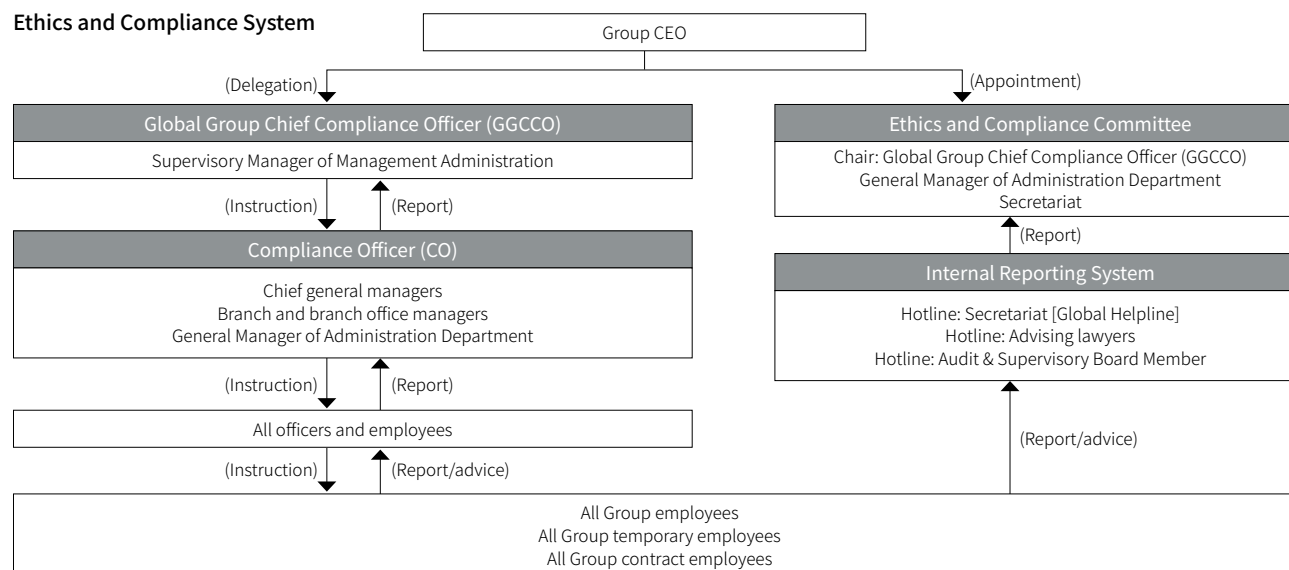
## Response Against Anti-social Forces

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 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 stipulated that the Chief General Manager of Management Administration serve as the “Risk Management Supervisory Manager,” and 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. In addition, the Risk Management Supervisory Manager is directly responsible for conducting education and awareness-raising activities for YUASA TRADING Group employees and providing an overview of these in reporting the details to the Internal Control Committee.

## Environmental and Resilience Committee

The Environmental and Resilience Committee, which is comprised of the Chief General Manager and Deputy Chief General Manager and Supervisor of Management Administration of the Company, formulates environmental policies aimed at maintaining and improving the global environment through our business activities, as well as a business continuity plan (BCP) in anticipation of situations with the potential to cause significant damage, such as large-scale disasters and the outbreak of new viruses.

Specifically, the Environmental and Resilience Committee shares information on workplace environment management based on ISO 14001 and environmental laws and regulations, formulates and consolidates BCP and disaster prevention plans, and coordinates responses and conducts drills in the event of disasters.

## Export Administration Committee

The Export Administration Committee, which is chaired by the Chief General Manager of Management Administration, has established the Safe Export Management Guidelines as internal standards related to compliance of export laws and regulations. This is intended to improve compliance related to overseas transactions and exports in particular, and the Committee is also responsible for awareness raising and monitoring activities.

## Internal Control Committee

The Internal Control Committee, which is chaired by the Chief General Manager of Management Administration, identifies risks that may lead to false statements, and takes effective measures for reductions in the occurrence of such risks for matters of high importance, to ensure the reliability of financial reporting, including for risks pertaining to control of the entire YUASA TRADING Group as well as control of IT systems, and those relating to operational, accounting, and financial processes.

**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
<b>Economic fluctuation risk</b>	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
<b>Share price fluctuation risk</b>	Risk in the event of changes in share prices	We are reviewing our shareholdings as appropriate in accordance with our “Securities Investment Guidelines”
<b>Interest rate fluctuation risk</b>	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
<b>Credit risk</b>	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
<b>Exchange rate fluctuation risk</b>	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
<b>Compliance risk</b>	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
<b>Risk related to information systems and information security</b>	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
<b>Product liability risk</b>	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
<b>Country risk</b>	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
<b>Natural disaster risk, etc.</b>	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.
<b>Business investment risk</b>	Risk that anticipated returns will not be realized or that losses will be incurred due to withdrawal from a business occasioned by a business plan for an investment project failing to achieve its objectives	The Company engages in thorough considerations by means of key meetings such as those of the Board of Directors and Corporate Management Committee before proceeding with an investment.