



YUASA

YUASA TRADING CO., LTD.

2022

**YUASA
INTEGRATED
REPORT**



Service Integrated Shosha Group

Corporate Philosophy and Our History

Corporate Philosophy

Honesty and Trust

1

YUASA TRADING has contributed to the further development of prosperous, humanitarian societies by valuing mutually beneficial, symbiotic relationships in all countries and regions of the world, with a focus on maintaining harmony with the global environment.

2

YUASA TRADING has striven to establish itself as a trusted and well-recognized company by conducting fair and sound activities with an integrity based on our awareness and understanding of racial, religious, cultural, behavioral and regulatory diversity throughout the world.

Enterprise and Innovation

3

YUASA TRADING properly assesses the scope of its business flexibly and in response to social needs, with the aim of forming a group of advanced, innovation-oriented companies.

4

With its lean and rational structure, the company also seeks to provide a high level of customer satisfaction by introducing outstanding technologies and products and developing systems and services through its highly specialized divisions and the Group companies.

Regard for the Individual

5

In addition to respecting employee individuality and rights, YUASA TRADING pursues entrepreneurial spirit and revolutionary ideas and focuses on shaping the workplace environment based on the organization and rules founded on concepts of mutual trust and a mindset of collaboration.

6

Employees clarify their own goals and responsibilities, pursue outcomes, and divide management roles by exercising creativity in business activities. The company distributes the results and responds to employee contributions based on the results of activities.

1666

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

1671

Shokuro Yuasa switched over from charcoal trading to being a wholesaler of metal implements.

1674

The business opened a branch in Edo (Tokyo).

1919

Yuasa Shichizaemon Shoten was established.

1969

YUASA Yamazumi Shareholding Association, a network of YUASA TRADING sales partners, was established.

1977

YUASA TANKYOKAI, a network of YUASA TRADING suppliers, was established.

1978

The first Grand Fair was held.

1992

Yuasa Shoji Co., Ltd. (former YUASA TRADING CO., LTD.) merged with Yuasa Sangyo and adopted the name YUASA TRADING CO., LTD. in English.

2016

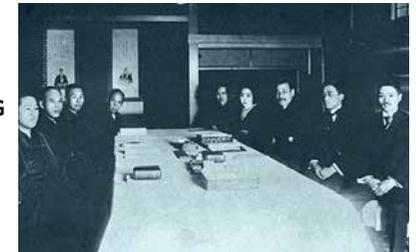
YUASA TRADING celebrated its 350th anniversary.

2021

YUASA TRADING announced its Sustainability Declaration.



1666
Picture showing Shokuro Yuasa leaving his hometown.



1919
The ceremony held to mark the founding of Yuasa Shichizaemon Shoten.

YUASA TRADING History as the Seventh Oldest Company that is Listed on the Prime Market of the Tokyo Stock Exchange

Company Name	Founded	Established
1 Matsui Kensetsu K.K.	1586	1939
2 Sumitomo Metal Mining Co., Ltd.	1590	1950
3 Watahan & Co., Ltd.	1598	1949
4 Yomeishu Seizo Co., Ltd.	1602	1923
5 Ozu Corporation	1653	1939
6 Kikkoman Corporation	1661	1917
7 YUASA TRADING CO., LTD.	1666	1919

Current Status of YUASA TRADING Group (as of March 31, 2022)

Since our company's founding in 1666, we have worked together with our customers to provide solutions by connecting products and services, in line with our corporate philosophy of "Honesty and Trust," "Enterprise and Innovation," and "Regard for the Individual."

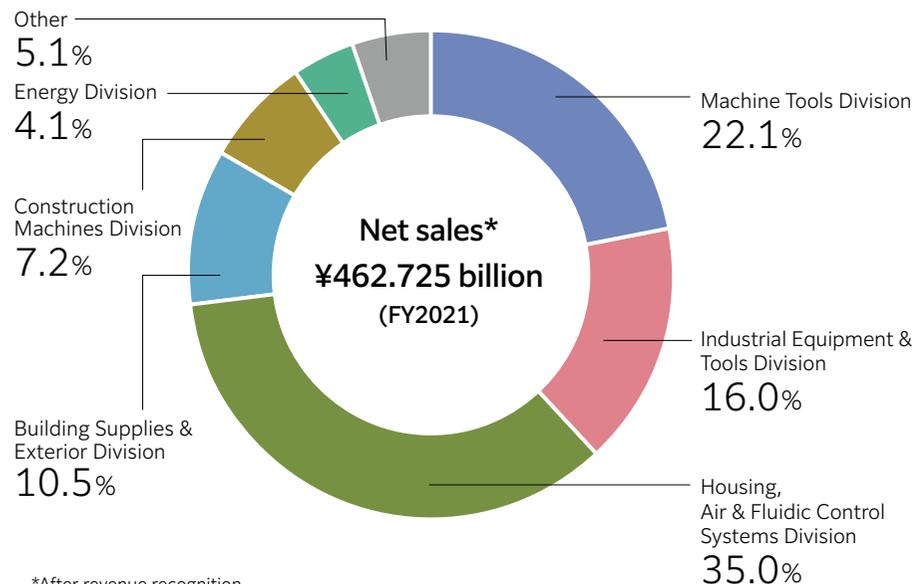
As a "TSUNAGU" Service Integrated Shosha Group that contributes to society through manufacturing, home building, environment building, and town building, we integrate artificial intelligence (AI) and other digital technologies with technology that contributes to the realization of carbon neutrality, aiming to help realize a sustainable society.

■ Net sales*	¥462.725 billion
■ Operating profit	¥11.880 billion
■ Ordinary profit	¥11.744 billion
■ Ordinary profit to net sales ratio	2.5%
■ Profit attributable to owners of parent	¥8.058 billion
■ ROE	8.9%
■ Total payout ratio	33.7%

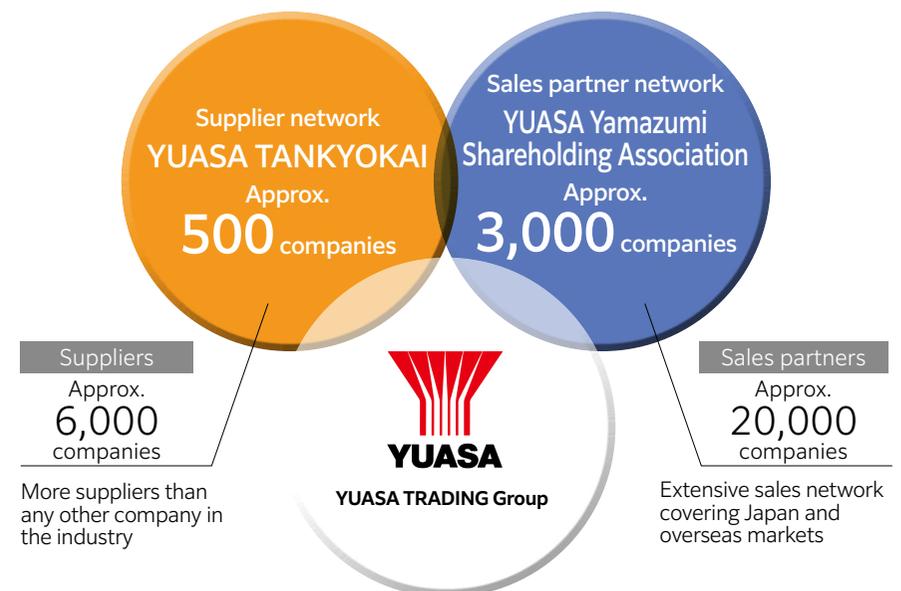
■ Percentage of female employees in comprehensive work position (non-consolidated)	4.1%
■ Percentage of mid-career hires (non-consolidated)	28.4%
■ CO ₂ emissions (Scope 1&2) (non-consolidated)	2,892 t-CO ₂

31 sites in Japan / 23 sites in 10 countries overseas
23 Group companies in Japan / 12 Group companies overseas

Share of Total Sales Held by Each Segment



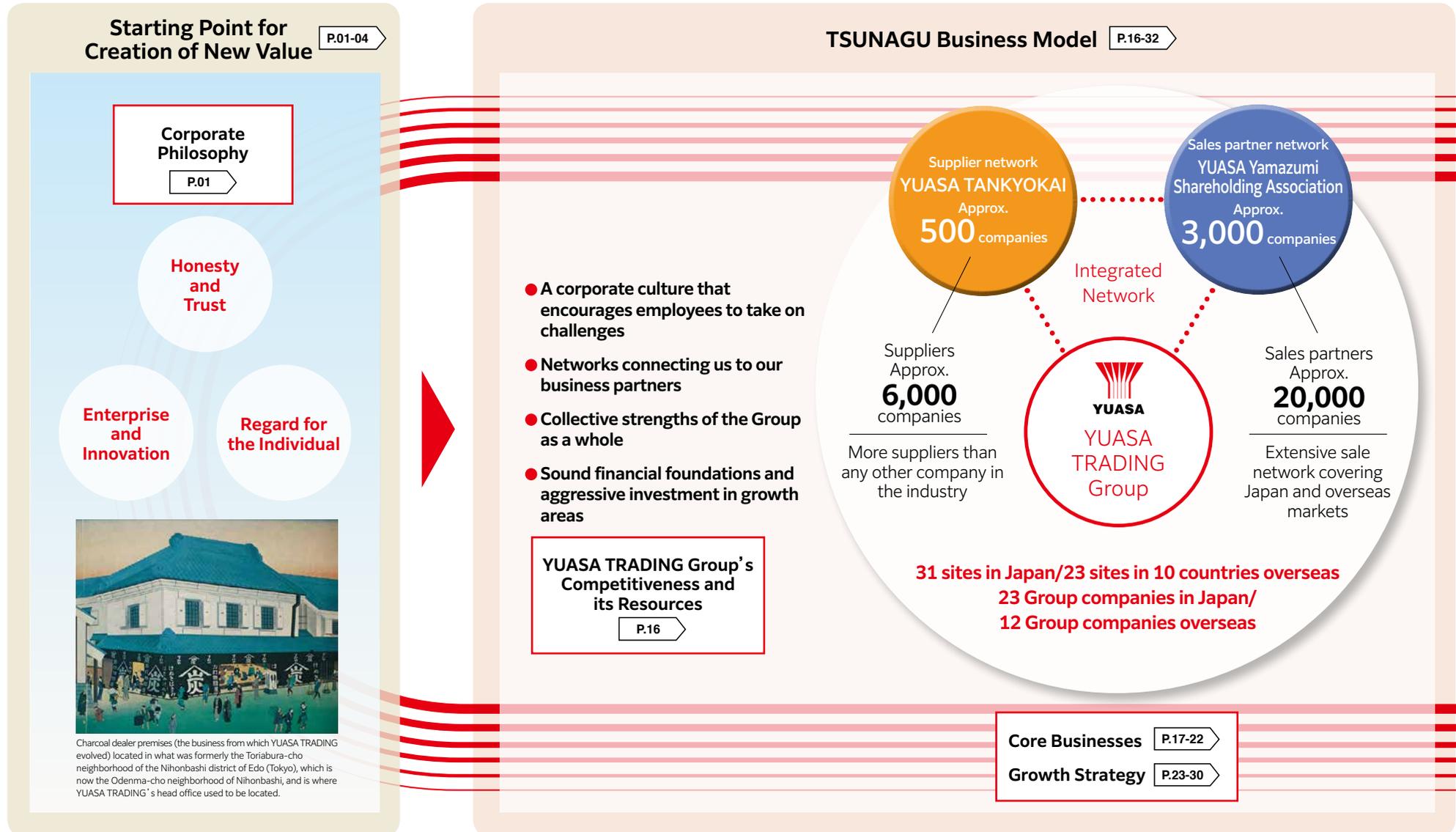
Integrated Business Model



YUASA TRADING Group's Value Creation Model

Taking our corporate philosophy as our foundation, we challenge ourselves to help solve social issues by connecting together products, services and systems through our network of around 6,000 suppliers and approximately 20,000 sales partners.

We are taking on the challenge of creating new value through the core businesses, growth strategies, and the promotion of sustainability management outlined in our "YUASA VISION 360" long-term vision, and in our "Growing Together 2023" Medium-term Management Plan.



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YUASA VISION 360

Grow into a “TSUNAGU” Service Integrated Shosha Group with an industry-leading profit structure.

Numeric Targets (FY2025)

Consolidated net sales	¥600 billion*
Consolidated ordinary profit	¥20 billion
Ordinary profit to net sales ratio	3.3%

*Before revenue recognition

Growing Together 2023

Create a sustainable management foundation through “Total Coordination Skills,” “Challenging Spirit” and “Communication.”

Numeric Targets (FY2022)

Consolidated net sales	¥510 billion*
Consolidated ordinary profit	¥14.5 billion
Ordinary profit to net sales ratio	2.8%

*Before revenue recognition

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Harmony with the Global Environment

We aim to be carbon neutral across the entire YUASA TRADING Group by FY2030. We will also focus on creating a relationship of mutual benefits, respond to climate change, and strive to reduce our environmental impact across the entire supply chain.

Environmental Initiatives Performance (FY2021)

CO ₂ emissions (non-consolidated)	2,892 t-CO ₂
Energy use monitoring locations	192 locations

Business Activities for Service with Good Products

Based on the mindset of “service with good products” that has been passed down from the founding of the company, we conduct fair, honest, and reliable commercial transactions as well as promoting the creation of a safe, secure, and rich society with our stakeholders.

Management that Respects Humanity

We operate diversity management that respects the individuality and human rights of employees. We will develop as a corporate group where each employee can feel their work is meaningful and that they are able to grow.

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Message from the President



Taking our unchanging corporate philosophy as the foundation for our decision-making

Any discussion of the YUASA TRADING Group needs to take our history into account. I would like to begin my message by outlining why our company has reached the position where it is now. Having been founded in 1666, and thus having been in existence for 356 years, YUASA TRADING is one of the oldest companies in Japan. Founded as a charcoal business, in 1671 the company became a wholesaler handling metal implements, and for 350 years since then it has continued to build a solid foundation. In the Showa era (which began in 1926), as a metal implements wholesaler, YUASA TRADING began to focus heavily on metal fittings for buildings and on machine tools, laying the groundwork for today's core businesses. YUASA TRADING has long been committed to helping solve social issues, and was one of the first companies in the industry to establish an Environment business and Resilience business. Recently, we have expanded into new fields: Agriculture, and the Long-term Care and Medical business. The previous President's watchword was that "A long-established business can always come up with something new," and I believe that this is a perfect description of YUASA TRADING, which has been able to identify new trends and transform itself repeatedly in response to changing times.

Over our long history, we have continued to hold to a corporate philosophy based on three elements: "Honesty and Trust," "Enterprise and Innovation," and "Regard for the Individual." This philosophy embraces the modern concepts of diversity and engagement, and when making important management decisions, I often find myself going back to our corporate philosophy.

I would like to relate an incident which really brought the value of YUASA TRADING corporate philosophy home to me. In 1995, I was posted to Malaysia as a sales manager for the Machine Tools Division, to set up a new sales office there. This was at a time when many Japanese manufacturers were moving production overseas, and I had initiated this project myself, motivated by a feeling of profound concern driven by the shrinking of the Japanese domestic market. However, there were

Message from the President

many aspects of the new project that I did not fully appreciate until after I arrived in Malaysia. Firstly, I soon realized that, unlike with the machinery business in Japan, where you can rely on manufacturers to provide follow-up support, in Malaysia you needed to have your own equipment maintenance company in order to get a business off the ground. A further point was that, in order to be able to meet the diverse needs of this rapidly-growing economy, just selling machines on their own would not be enough; we needed to conduct sales by offering proposals that made use of the combined capabilities of the YUASA TRADING Group as a whole. At the time, I was still only in my 30s, but I worked persistently to convince my superiors that, besides the sales company that we had originally intended to set up, we also needed to establish a dedicated maintenance company too. In the end, they adopted my suggestion, and we ended up setting up two local subsidiaries in the same country at around the same time, with me serving as CEO of both. This experience seemed to me to be entirely in line with the “Enterprise and Innovation” and “Regard for the Individual” aspects of YUASA TRADING’s corporate philosophy, which emphasize “pursuing the entrepreneurial spirit and revolutionary ideas” and “respecting employee individuality and rights.” Today, I see “Total Coordination Skills,” “Challenging Spirit” and “Communication” as being the keywords that embody the sources of growth for the YUASA TRADING Group.

YUASA VISION 360 and Growing Together 2023

Aiming for “TSUNAGU” value creation

We established “YUASA VISION 360” as our vision for the year 2026, which marks the 360th anniversary of the founding of the Group.

The aim of this vision is for the YUASA TRADING Group to grow into a “TSUNAGU” Service Integrated Shosha Group with an industry-leading profit structure. This plan established numeric targets of consolidated net sales of ¥600.0 billion, ordinary profit of ¥20.0 billion, an ordinary profit to net sales ratio

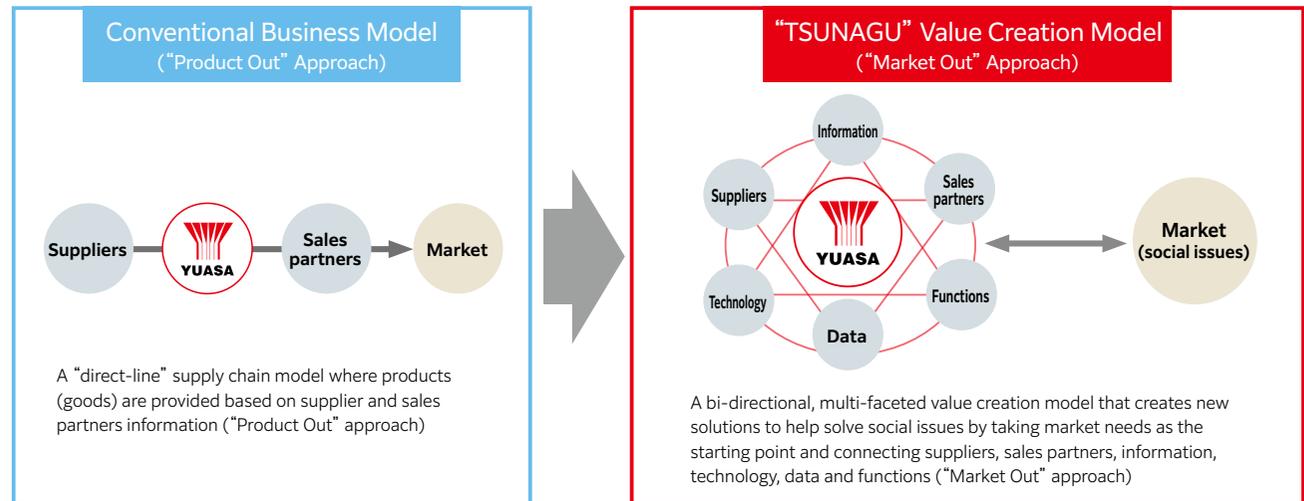
of 3.3%, an ROE of at least 11.7%, and a total payout ratio of at least 33.0%, for the fiscal year ending March 31, 2026.

To this end, in April 2020 we announced the Medium-term Management Plan “Growing Together 2023,” the implementation period for which ends in the fiscal year ending March 31, 2023, as the second stage.

Taking “Total Coordination Skills,” “Challenging Spirit” and “Communication” as keywords, by strengthening our existing core business and developing and cultivating nine growth businesses as businesses that help to solve social issues, we are aiming to further strengthen our management foundations. As a result of our efforts in this regard, the company’s performance in the fiscal year ended March 31, 2022, the second year of plan implementation, was as follows: Net sales totaled ¥462.7 billion, our operating profit rose by 32.3%, ordinary profit rose by 17.3%, and profit attributable to the owners of the parent company rose by 16.3%.



Value Provision (“TSUNAGU” Value Creation) that YUASA TRADING Group is Aiming to Achieve



Message from the President

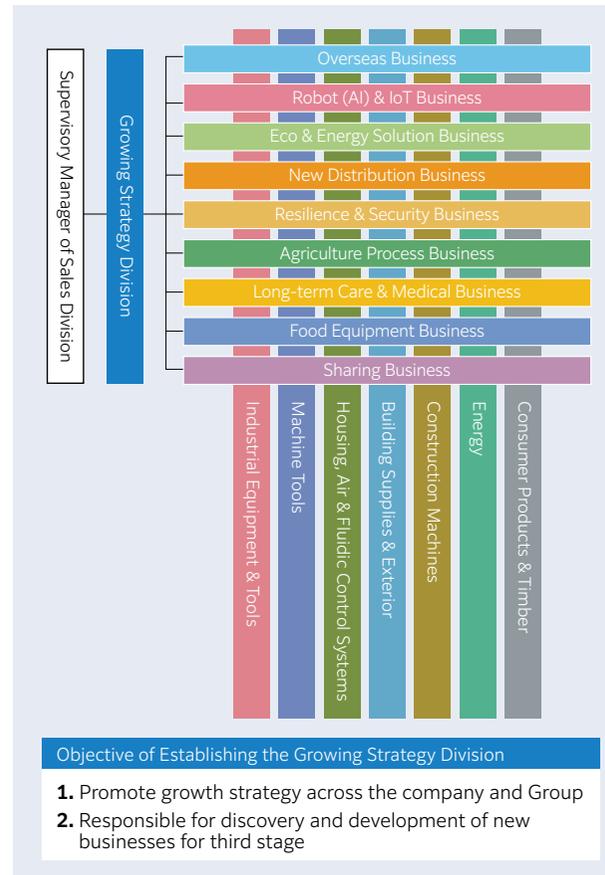
When I was serving as a senior managing director, I was involved in the formulation of the company's Medium-term Management Plan; this was the time when we switched over to implementing the plan over a period of three years. While change is important, there are also some fundamental aspects that should not be changed, and I did wonder whether it was advisable to adopt a completely new Medium-term Management Plan every three years without first clarifying what these aspects are. After intensive discussion, it was decided to set a long-term vision, looking ahead nine years to 2026, the year of the company's 360th anniversary. Having clarified our vision of which direction the company should be heading in, we then aimed to realize this vision by drawing up Medium-term Management Plans that specified methods, strategies and measures to be implemented over periods of three years.

In the past, Shosha (trading companies) have excelled at business areas that link people, goods and money directly in a "straight line." This is what is generally referred to as "trading business." By contrast, the YUASA VISION 360 sees the YUASA TRADING Group as becoming a business group that links together not only people, goods and money, but also information, technology and data in various different ways, thereby generating new value-added and being able to successfully respond to the market's demand.

To accelerate this process, on the organizational side, in 2020 (the year in which the second stage of plan implementation began), we established the Growing Strategy Division as a company-wide organization. As a Shosha (trading company), YUASA TRADING excels at structuring things vertically, and this was a key issue for us when considering "Total Coordination Skills." Starting from the Growing Strategy Division, with its horizontal structure, we have put in place a framework for centralized promotion, particularly with respect to growth businesses, covering every stage from product and system planning and development through to sales and customer support.

The FY2021 is the final year of implementation of the second stage of the Medium-term Management Plan – Growing Together 2023, and the YUASA TRADING Group is introducing

▶ The Growing Strategy Division — a company-wide, horizontal organization



a wide range of original product packages. In the future, besides continuing to focus on rolling out "TSUNAGU" solution businesses, we will also be concentrating on M&A in growth areas and on investment in digital transformation (DX) to develop solutions that effectively utilize data.

"Market Out" Approach That is Vital for "TSUNAGU" Solutions

Moving away from "Product Out," and undertaking talent cultivation

While the Growing Strategy Division has put in place the organizational framework needed for realizing the YUASA VISION 360, there is an issue in relation to talent cultivation. In particular, while we need to cultivate as many employees as possible who are capable of developing "TSUNAGU" solution businesses, this is not something that you can learn to do just by taking classes.

When developing solution sales, it is vitally important to accumulate personal experience and to internalize the frustration of failure and the joy of success. Making the effort to identify customers' latent needs, and having the "TSUNAGU" capabilities required for developing solutions, are also extremely important.

Since taking over as President, I have often commented in internal meetings on the importance of the "Market Out" approach. In the past, we switched from a "Product Out" approach to a "Market In" approach. With the "Product Out" approach, product sales are conducted from a manufacturer-centric perspective, and with the "Market In" approach, the idea is to procure and sell the products that you think the buyer needs. By contrast, with the "Market Out" approach, one identifies market and buyer needs first, and then develops and proposes products and product packages that meet these needs. YUASA TRADING is undertaking "TSUNAGU" value creation based on a "Market Out" approach.

I hope that the YUASA TRADING Group employees will be able to experience both the challenges and the joys of solution sales, using "TSUNAGU" packages that have been created by our company based on market needs. I want us to put in place the environment needed for as many employees as possible to experience the feeling of being of use to society through sales activity, and to focus on talent cultivation.

Message from the President

Our Sustainability Declaration that connect us to the future

Based on our corporate philosophy, in October 2021 we announced our Sustainability Declaration with the aim of realizing a further evolution in our management foundations, which have developed over a period of more than 350 years, and of connecting us to the coming future.

To provide the framework for promoting initiatives to realize the Sustainability Declaration, we have established a Sustainability Promotion Committee, which is chaired by the Representative Director and Senior Managing Director, and a Sustainability Promotion Office, inside the Corporate Planning Department, and promote action plans.

In more concrete terms, besides aiming to make the YUASA TRADING Group as a whole carbon neutral by FY2030, we have also drawn up a Transaction Policy, Human Rights Policy, and Diversity Policy, and we have begun to implement sustainability-related training for the Group employees and to implement projects for strengthening employee engagement.

The phrase “service with good products” which appears in our Sustainability Declaration is something that has been important to our company for a very long time. It reflects the business ethics which have remained unchanged at our company since it was first established, which emphasize serving the market by providing good-quality products, and in doing so helping to realize sustainability.

Spreading awareness of the need for “Challenging Spirit” to employees throughout the world

One of the distinguishing features of the YUASA TRADING Group employees is, to put it concisely, “seriousness.” They take a serious approach to business, to their thinking, and to how they act. As I see it, this is what our corporate philosophy refers to as “Honesty and Trust.”

However, if we are to continue growing to be a company that survives for 360 years and then 400 years, just focusing on seriousness is not enough; we also need a spirit of being

willing to challenge oneself, without fear of failure. In a sense, the achievement of the YUASA VISION 360 depends on the extent to which we can break free from existing ways of doing things. To this end, it is important for us to cultivate a corporate culture that values taking on new challenges.

Immediately after taking over as President, I held round table meeting with employees, and made numerous visits to the Group’s business locations both within and outside Japan over the course of a year. Unfortunately, the COVID-19 pandemic put a stop to this, but starting from this fiscal year I have once again begun to make these visits, and I plan to visit all our business locations over a period of two years. By holding round table meeting, I have been able to get across to individual employees the importance of challenging oneself, and answer employees’ questions to the best of my ability, thereby ensuring that we are all on the same page. I also want to emphasize once again, based on my own personal experience, just how important the three elements of “Total Coordination Skills,” “Challenging Spirit” and “Communication” are for YUASA TRADING Group employees and for the future of the company as a whole.

To Our Stakeholders

By striking the right balance between business investment and profit return to shareholders, we are working to enhance corporate value

Our basic approach to profit distribution is to allocate one-third each to retained earnings, future investment, and returning profits to shareholders. In other words, our target is to return at least 33% of profits to shareholders. Of course, if our overall profits increase, then the absolute amount total payout ratio will also increase, even if the percentage share remains unchanged. We believe that it is important to maximize profits, and we are implementing various measures under our current Medium-term Management Plan in order to achieve this.

To implement these measures, in some cases prior investment is needed, and while maintaining the share of

profits returned to shareholders at 33% or more, we will also be investing in growth areas.

Henceforth, while striking the right balance between business investment and returning profits to shareholders, and while maintaining financial soundness, we will also be reinvesting the profits that we earn through our business activities to maximize corporate value and enhance shareholder value.

I look forward to receiving your continued support in the future.



YUASA VISION 360 (Long-term Vision)

Taking on the Challenge of Becoming a “TSUNAGU” Service Integrated Shosha Group with an Industry-leading Profit Structure

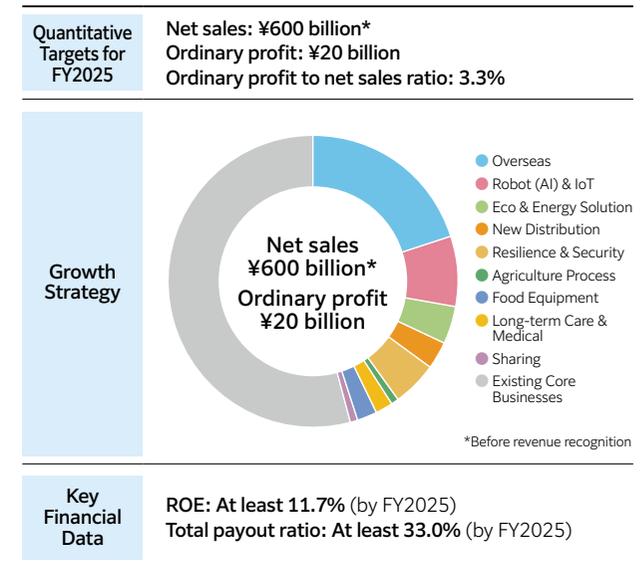
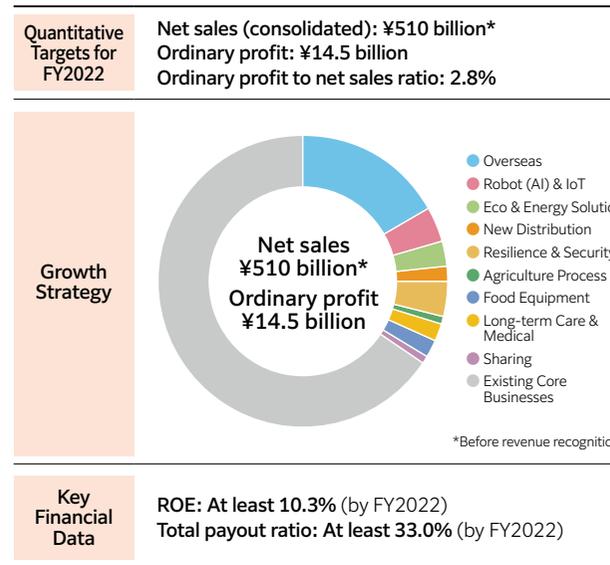
YUASA VISION 360

With the aim of realizing our vision for 2026 (the 360th anniversary of our company’s founding), which is to become a “TSUNAGU” Service Integrated Shosha Group with an industry-leading profit structure, we have formulated the YUASA VISION 360, and we have also been drawing up and implementing three-year Medium-term Management Plan to realize this.

In the second stage of YUASA VISION 360 – “Growing Together 2023,” with 2023 as the target year, we have taken “Total Coordination Skills,” “Challenging Spirit” and “Communication” as keywords, and positioned addressing social issues as our growth strategy. Besides identifying and developing growth businesses, we have also been working to enhance productivity through workstyle reform.

Business Restructuring and Reform for YUASA VISION 360

In the YUASA VISION 360, we are working to expand our growth strategy, with the aim of having growth businesses account for around one-third of total sales by the fiscal year ending March 31, 2023 (FY2022), and around half of total sales by the fiscal year ending March 31, 2026 (FY2025).



Growing Together 2023 (Medium-term Management Plan)

Create a sustainable management foundation through “Total Coordination Skills,” “Challenging Spirit” and “Communication”

Growing Together 2023 – Strategy

1	Growth Business Strategy	<ul style="list-style-type: none"> Defining growth businesses as those that help to solve social issues, and putting those businesses on a growth track, with our company-wide innovation promotion organization (the Growing Strategy Division) taking the lead 	P.23~27
		<ul style="list-style-type: none"> In addition to Agriculture and Long-term Care/Medical, entering the Food sector and developing the Sharing business as a new strategy with our sights set on the 3rd Stage 	P.28~30
2	Core Business Strategy	<ul style="list-style-type: none"> Strengthening total coordination skills: Promoting “Integrated Product-Service” proposals throughout the Group 	P.17~22
		<ul style="list-style-type: none"> Strengthening engineering functions: Promoting “total orders” in relation to properties through the Integrated Engineering Office 	
		<ul style="list-style-type: none"> Enhancing logistics capabilities: Demonstrating the capabilities of the new distribution centers (in Kanto, Chubu, Kansai and Kyushu) 	
		<ul style="list-style-type: none"> Strengthening e-commerce functions: Developing a B-to-B-to-U (user) platform 	
3	Strengthening Management Foundations	<ul style="list-style-type: none"> Strengthening Group functions: Increasing market share and strengthening Group functions through business succession 	P.31 P.41
		<ul style="list-style-type: none"> Promoting digital transformation (DX): Strengthening governance and realizing meaningful workstyle reform through DX 	
		<ul style="list-style-type: none"> IT and digital investment: Establishing common infrastructure globally and across the Group Human resources and organizational reform: Strengthening recruitment of people with a science background, career-track female employees, and international students, and building an organizational culture that inspires innovation 	

Growth Together 2023 - Targets

Financial KPIs

Item	Plan (FY2022)	Results (FY2021)
Net sales*	¥510 billion	¥480.1 billion
Operating profit	¥13.5 billion	¥11.8 billion
Ordinary profit	¥14.5 billion	¥11.7 billion
Ordinary profit to net sales ratio	2.8%	2.5%
Adjusted net income before tax	¥9.5 billion	¥8.0 billion
ROE	At least 10.3%	8.9%
Total payout ratio	At least 33.0%	33.7%

*Before revenue recognition

Non-financial KPIs

Item	Targets (FY2022)	Results (FY2021)
Female employee ratio in comprehensive work position	5.0%	4.1%
Female employee hiring ratio in comprehensive work position	12.0%	10.4%
Percentage of taking paid leave	60.0%	56.2%
Average hours of labor	1,900 hours	1,977 hours

Relationship between Core Businesses and Growth Strategy

▶ Approach to growth in YUASA VISION 360

Taking advantage of the network and know-how the YUASA TRADING Group has cultivated, we will strengthen our existing core businesses while expanding business in areas where growth is expected as businesses that solve social issues as we aim for business portfolio transformation and growth as a “TSUNAGU” Service Integrated Shosha Group with an industry-leading profit structure.

▶ Positioning of core businesses and growth strategy

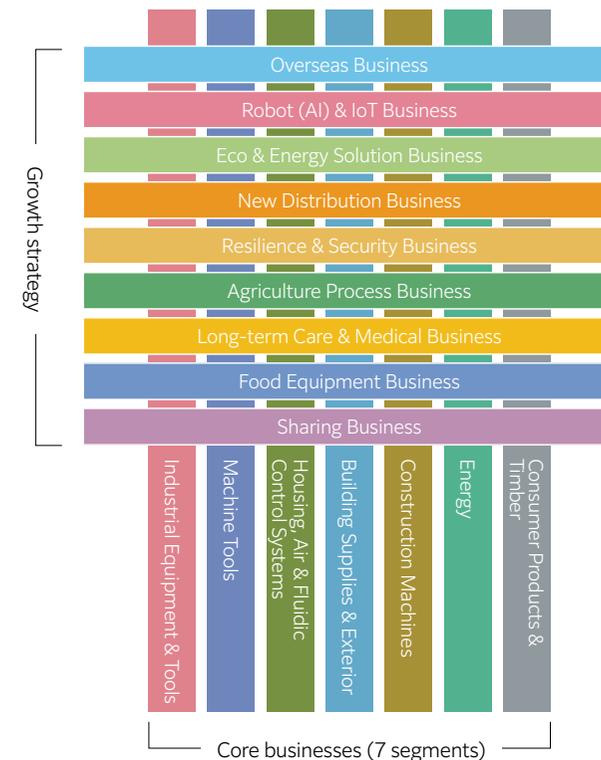
Further Strengthening Core Businesses

Our core businesses are the YUASA TRADING Group’s main business activities related to manufacturing, home building, environment building, and town building and consist of seven segments.

Henceforth, we will further strengthen our core businesses by improving our collective strength and coordination functions and promoting “Integrated Product-Service” proposals throughout the Group.

Solving Social Issues through Growth Strategy

The growth strategy is a Group-wide effort under YUASA VISION 360 and Growing Together 2023 to work on nine areas that have a strong affinity with the core businesses of YUASA TRADING and where future growth is expected as businesses that solve social issues. We will continue working on future expansion of our business areas and change of our business portfolio by proposing new solutions that aim to solve social issues.



▶ Serves as engine to promote the growth businesses “Growing Strategy Division”

In April 2020, the company established the Growing Strategy Division as the organization to promote the Growth businesses across divisions including the Group companies. This organization is comprised of the New Business Development Division, YES (YUASA Environment Solution) Division, New Distribution Business Division, Resilience & Security Office, and Integrated Engineering Office.

It generates new businesses for the future through cross-Group efforts. There are many personnel certified in construction in the Integrated Engineering Office. They are responsible for the Group engineering functions as a group of technicians. The Growing Strategy Division will continue to identify and nurture new businesses for the 3rd stage of YUASA VISION 360.

Growth-oriented Investment and Capital Policy

Growth investments

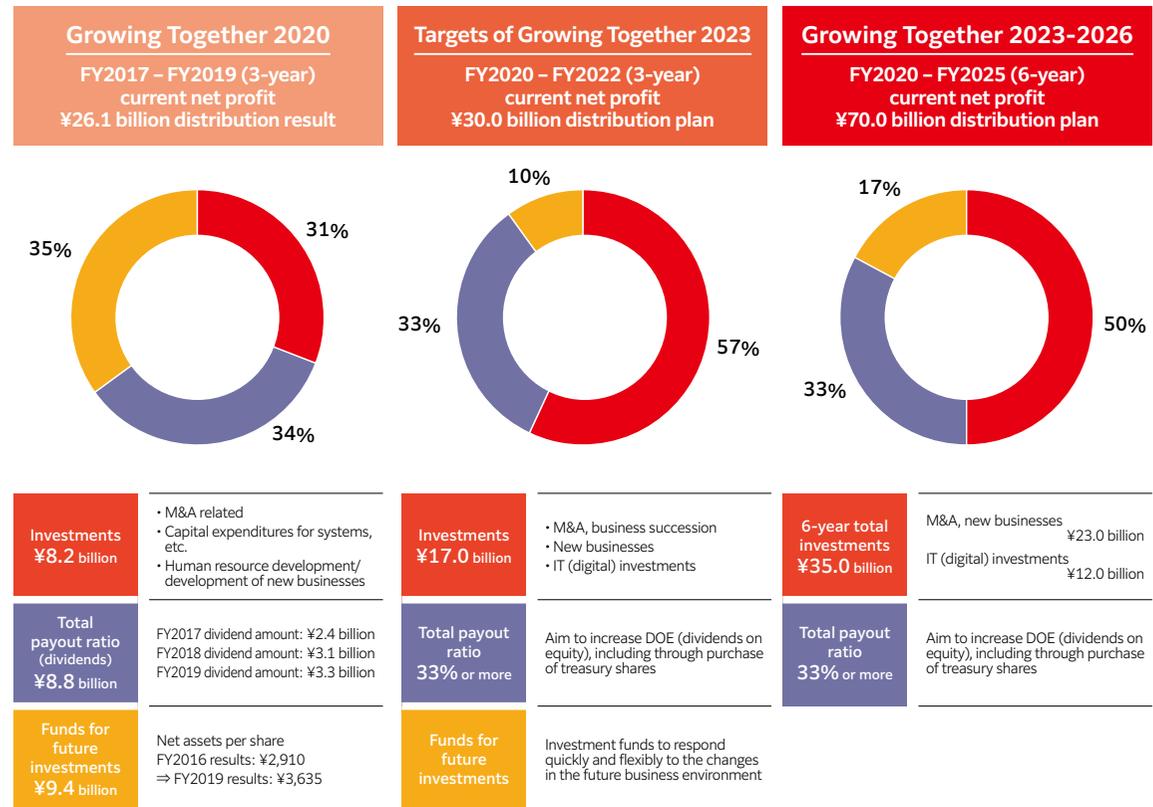
We have allocated a total of ¥17 billion in growth investments for Growing Together 2023. In the second year of implementation, the fiscal year ended March 31, 2022, we have invested ¥6.0 billion. In the future, we will accelerate investments for the Overseas Business field and for digital transformation (DX) that will lead to further growth.

Growth strategy	Investments (3 years)	Results (2 years)	Investment details (including forecasts)
Overseas Business	¥4.0 billion	—	Strengthening our business locations in Thailand, holding the YUASA Grand Fair in Thailand, implementing M&A, etc.
Robot (AI) & IoT Business	¥4.0 billion	¥1.8 billion	Business and capital alliances with AI startups, robots for use on construction sites, etc.
Eco & Energy Solution Business	Total ¥5.0 billion *Existing Core business investments included	¥3.6 billion	Power purchase agreement (PPAs) project scheme development, etc.
New Distribution Business			EC site Growing Navi function development, etc.
Resilience & Security Business			"TSUNAGU" BCP Package KIZUKI MIRAI Bollard, etc.
Agriculture Process Business			Investments in agriculture robotics companies, development of animal feed mixing machine (Appenki), etc.
Long-term Care & Medical Business			Remote ICU prehab hospital building construction business, etc.
Food Equipment Business			Development of inspection devices for detecting contaminants in beverage, etc.
Sharing Business			Online rental business Platform development, etc.
Core businesses			M&A to strengthen our functional capabilities, and logistics and processing function improvement, etc.
IT (digital) investments			¥4.0 billion
Total	¥17.0 billion	¥6.0 billion	

Capital policy

In the Growing Together 2020 Medium-term Management Plan, as initially planned, the ratio of investments, return to shareholders, and funds for the future investments were around one-third each. In Growing Together 2023, the ratio of investments is to be increased to ¥17.0 billion, or 57%, while the total payout ratio is maintained at at least 33%.

In the plan through FY2025, investments would be 50% while the total payout ratio maintained at at least 33%, as described below.



Promotion of Sustainability Management and Materiality

Sustainability Promotion ▶



Based on our corporate philosophy of “Honesty and Trust,” “Enterprise and Innovation” and “Regard for the Individual,” the YUASA TRADING Group has contributed to the further development of prosperous, humanitarian societies by valuing mutually beneficial, symbiotic relationships in all countries and regions of the world, with a focus on maintaining harmony with the global environment.

In order to further advance our management foundation passed down over 350 years, we enacted a “Sustainability Declaration” based on this corporate philosophy and we are doing our utmost to contribute to the construction of a sustainable society.

Sustainability Declaration

Harmony with the Global Environment

We aim to be carbon neutral across the entire YUASA TRADING Group by FY2030. We will also focus on creating a relationship of mutual benefits, respond to climate change, and strive to reduce our environmental impact across the entire supply chain.

Business Activities for Service with Good Products

Based on the mindset of “service with good products” that has been passed down from the founding of the company, we conduct fair, honest, and reliable commercial transactions as well as promoting the creation of a safe, secure, and rich society with our stakeholders as a “TSUNAGU” Service Integrated Shosha Group.

Management that Respects Humanity

We operate diversity management that respects the individuality and human rights of employees. We will develop as a corporate group where each employee can feel their work is meaningful and that they are able to grow.

Support for TCFD



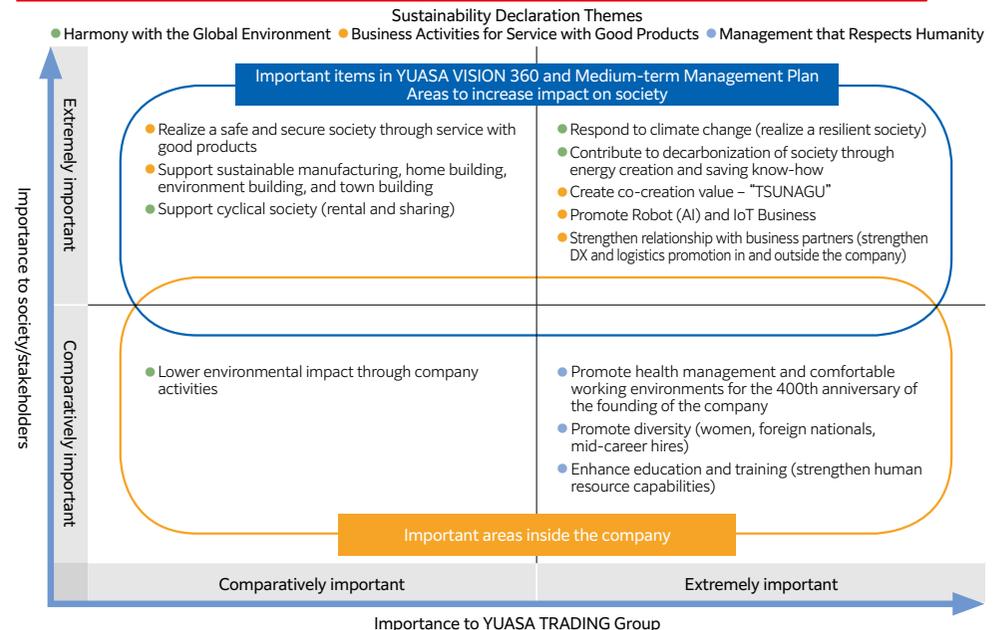
Recognizing climate change as an important management issue, in March 2022 the YUASA TRADING Group declared its support for the Task Force on Climate-Related Financial Disclosures (TCFD). We are enhancing our information disclosure on how climate change affects our Group business activities based on the recommendations of the TCFD.

Materiality Selection Process

We believe sustainability is the resolution of social issues through business designated as targets in the YUASA VISION 360. An evaluation team that combined YUASA staff with outside experts identified our materiality through the following procedure.



Materiality Matrix



/ Promoting Sustainability Management

Action Plan

1

Harmony with the Global Environment

(1) Calculate the CO₂ emissions inside the YUASA TRADING Group and determine reduction targets. Evaluate the financial impact and disclose as appropriate.

(For more information about Medium- and Long-term Environmental Objectives, see [P.33](#))

- a) Calculate the CO₂ emissions (Scope 1&2)
- b) Calculate the CO₂ emissions (Scope 3)
- c) Comply with TCFD

(Note)

Scope 1: Direct greenhouse gas emissions through the business itself (consuming fuel, industrial processes)
 Scope 2: Indirect emissions through use of electricity, heat, or steam supplied by another company
 Scope 3: Indirect emissions not covered in Scope 1 or Scope 2 (emissions from another company related to business activities)

(2) Respond to climate change (adaptation)

(For more information about initiatives aimed at realizing a resilient society, see [P.35](#))

- a) Promote the Resilience & Security Business
- b) Confirm the climate change risks of major sites and business partners in and outside Japan

(3) Respond to climate change (mitigation)

(For more information about initiatives to achieve carbon neutrality, see [P.33](#))

- a) Promote the Eco & Energy Solution Business

Initiatives to achieve carbon neutrality

Implement renewable energy	Reduce purchased electricity and CO ₂ emissions by consuming electricity generated by solar power on site with no CO ₂ emissions
Promote energy-saving (operation and equipment)	Reduce purchased electricity and CO ₂ emissions by energy-saving, such as making operations improvements and updating to more efficient equipment (lighting/air conditioning)
Switch to eco-friendly company vehicles	Reduce CO ₂ emissions by switching to eco-friendly vehicles for sales and distribution
Fix CO₂ by company-owned forests	Fix CO ₂ by ongoing management of the Group-owned forests
Purchase renewable energy	Reduce CO ₂ emissions by purchasing power generated by zero carbon renewable energy (power with no net CO ₂ emissions as offset by non-fossil certificates (credits), etc.)
Utilize emission credits	Offset emissions through CO ₂ emission credits held by the company

2

Business Activities for Service with Good Products

(1) Formulate transaction policy with business partners

(For more information about YUASA TRADING Group Transaction Policy, see [P.37](#))

(2) Formulate action plan directed at compliance with transaction policy

(3) Spread awareness of transaction policy to business partners and conduct a questionnaire to check on current situation

3

Management that Respects Humanity

(1) Establish diversity policy and targets

(For more information about YUASA TRADING Group Diversity Policy, see [P.43](#))

(2) Establish human rights policy and other policies

(For more information about YUASA TRADING Group Human Rights Policy, see [P.44](#))

(3) Consider conducting in-house education and training program and other initiatives; continuously conduct

4

Gathering, management, and disclosure of ESG-related data

Gather data related to ESGs and enhance information disclosure

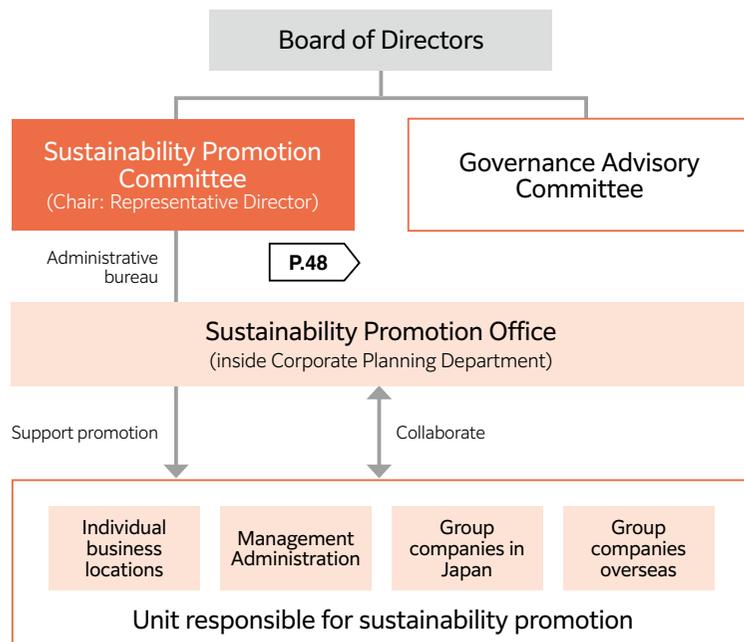
(For more information about non-financial data, see [P.54](#))

/ Promoting Sustainability Management

Sustainability Management Promotion System

Along with the “Sustainability Declaration,” we established the Sustainability Promotion Committee in October 2021. This committee, which is comprised of Directors and Senior Executive Officers and chaired by the Representative Director, will inquire and provide advice about important sustainability issues to the Board of Directors.

The administrative bureau is the Sustainability Promotion Office, which was established in the Corporate Planning Department. It will collaborate with each business division, formulate policies, gather and manage data related to ESG, and conduct improvement activities.



- Sustainability Promotion Committee meetings: Twice per year
- Meetings of the unit responsible for sustainability promotion: Once every two months

**Message from the Officer in Charge of Sustainability Promotion
(Chair of the Sustainability Promotion Committee)**

YUASA TRADING Group’s sustainability promotion

The YUASA TRADING Group believes that it is important to conduct business management in such a way that the global environment, society and the economy can all be sustainable.

Based on the three key aspects of the Sustainability Declaration, besides aiming to address social issues through our business and help build a prosperous society, we are also working actively to implement information disclosure. By using management based on respect for human beings to enhance employee motivation and make work more employee-friendly, we seek to enhance employee engagement and satisfaction, and be an enterprise where all Group company employees can grow as individuals with enthusiasm for their work.



Haruo Sanoki
Representative Director,
Senior Managing Director
Supervisory Manager of
Management Administration

Comment from an expert

The YUASA TRADING Group as a whole has been steadily implementing sustainability initiatives. YUASA TRADING has for many years now provided large numbers of products and services that help to address social issues, for example in relation to the environment and disaster preparedness, and has contributed toward realizing a sustainable society. Thanks to the relationships of trust built up over many years, YUASA TRADING’s employees have played an important role in fostering the widespread adoption by society of high-quality products from YUASA TRADING’s business partners, which include many large corporations, as well as medium-sized companies and SMEs. I hope that, in the future, by making effective use of the connections that it has built up as a Shosha trading company, YUASA TRADING will continue to enhance its corporate value through its business.



Miki Mitsunari
Director, FINEV Inc.

YUASA TRADING Group's Competitiveness and its Resources

A corporate culture that encourages employees to take on challenges

- A corporate culture that encourages employees to take on challenges, embodying our corporate philosophy of "Enterprise and Innovation"
- Develop professional human resources with enterprise spirit
- Develop personnel and organizations that respect the individuality and human rights of employees



Networks connecting us to our business partners

- Sales partners: approx. 20,000 companies
 - YUASA Yamazumi Shareholding Association members: approx. 3,000 companies
 - YUASA Growing Association members: approx. 250 companies
- Suppliers: approx. 6,000 companies
 - YUASA TANKYOKAI members: approx. 500 companies
- The biggest network of its kind in the industry
- A very extensive product line-up, with over 5 million individual product items
- Creating new value by connecting ("TSUNAGU") products and services with systems



Collective strengths of the Group as a whole

- Industry-leading business area coverage
- Business management based on twin engines of trade and solution businesses
- Expand engineering functions
- Strengthen trade business foundation (EC functions, logistics functions)
- Solutions sales know-how
- Group companies skilled in specialty areas



Sound financial foundations and aggressive investment in growth areas

- Net debt to equity ratio: -0.54 times
- Basic earnings per share: ¥364.54



Strengths

Strategic direction for further strengthening the Group

- Growth Strategy P.23
- Management that Respects Humanity P.41

- Business Activities for Service with Good Products
Relationship with business partners P.37
- Contribution activities through our business P.39

- Relationship between Core Businesses and Growth Strategy P.11
- TSUNAGU Business Model P.16

- Growing Together 2023 (Growth-oriented Investment and Capital Policy) P.12

Core Businesses

Industrial Market Headquarters

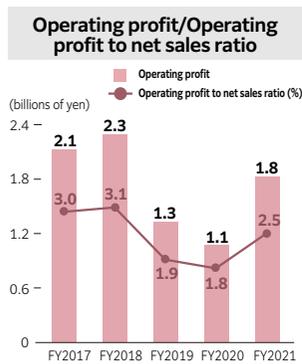
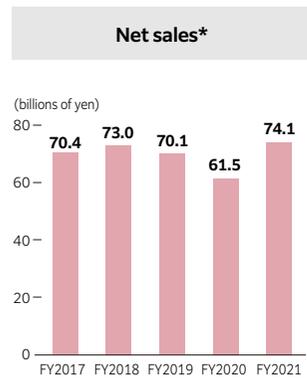
Industrial Equipment & Tools Division

FY2021 Net Sales*

¥74.1 billion

FY2021 Operating Profit

¥1.8 billion



*Net sales for FY2021 on p.17-22 (Core Businesses) show figures after the application of the revenue recognition standard.

Business overview of FY2021

Despite the impact of factors such as delivery delays due to shortages of semiconductor components, the plant utilization remained at high levels, mainly in the automobile-related and semiconductor-related industries, and demand for cutting tools and measurement equipment increased. Demand for logistics-related and other equipment for use in food-related industries also expanded.

Under these circumstances, we implemented campaigns through our "Growing Navi" e-commerce site and worked to strengthen logistics functions.

As a result, net sales for FY2021 were ¥74,115 million (¥61,520 million in the previous fiscal year).

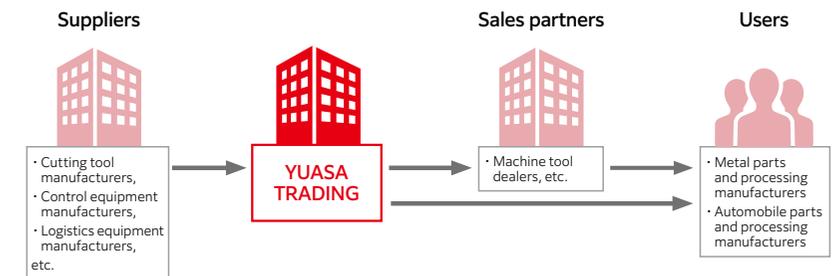
Business fields

[Main markets]

- Manufacturing industry, mainly automobile manufacturing
- Manufacturing industry, including IT, semiconductor manufacturing equipment, and consumer information equipment

- General machinery manufacturing
- Food manufacturing
- All other manufacturing industry

[Main distribution channels]



Business environment analysis

- Strengths**
- Product lineup focused on tools, control, and logistics
 - Logistics functions
 - E-commerce function (Growing Navi)

- Opportunities**
- Expanding semiconductor market
 - Rising investment in labor savings due to falling birthrate and aging population
 - Rising investment in factory business continuity planning (BCP)

Vision and related initiatives

TOPICS Strengthening logistics functions

In order to provide a one-stop upstream through downstream support in the warehousing business, we are strengthening our logistics functions.

We are working to reduce logistics costs by using AI algorithms to calculate optimal vehicle dispatch and minimize travel distance. At our Kanto Logistics Center, we have also turned one quarter of the total floor space into unmanned transportation areas and are installing automation equipment for automated transport by robots. Furthermore, we connect the needs of suppliers and customers by providing pre-delivery logistics processes such as refurbishment of air conditioning, cleaning, automated valve assembly, chain slinging and other services in addition to the storage function.



We use Loogia, an automated vehicle dispatch cloud-based system, to prepare delivery plans for each driver's area of responsibility.

Core Businesses

Industrial Market Headquarters Machine Tools Division

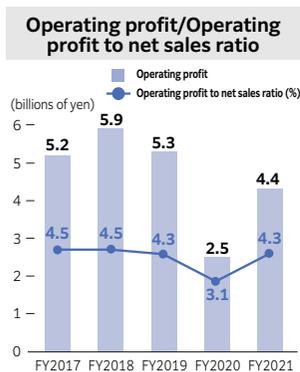
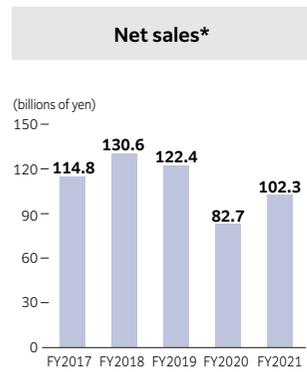


FY2021 Net Sales*

¥102.3 billion

FY2021 Operating Profit

¥4.4 billion



Business overview of FY2021

Semiconductor-related industries and automobile-related industries, mainly batteries and motors for EVs, remained strong, and orders for machine tools continued to grow. Overseas, the economic recovery trend continued, mainly in the U.S. and Southeast Asia. Under these circumstances, we focused on sales of “Robo Combo,” a robot system using articulated robots developed by the company, and “Bub Power,” a microfine bubble system for coolant equipment. As a result, net sales for FY2021 were ¥102,258 million (¥82,723 million in the previous fiscal year).

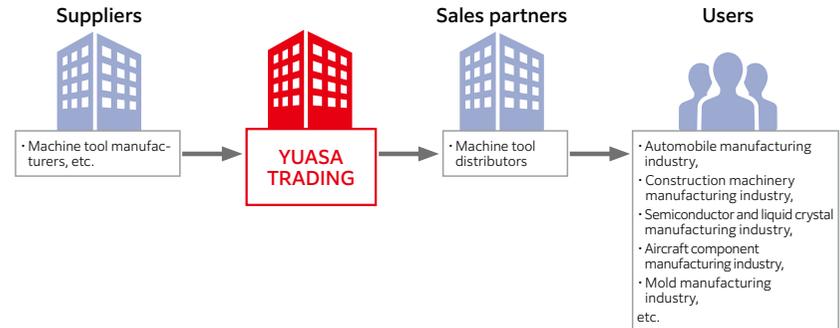
Business fields

[Main markets]

- Manufacturing industry, mainly automobile manufacturing
- Manufacturing industry, including IT, semiconductor manufacturing equipment, and consumer information equipment

- General machinery manufacturing
- Food manufacturing
- All other manufacturing industry

[Main distribution channels]



Business environment analysis

- Strengths**
- Japan’s leading machine tool sales capabilities
 - Network strengths of business partners
 - Engineering capabilities through the Group companies

- Opportunities**
- Return of overseas production plants to Japan
 - Acceleration of automation due to labor shortages and rising sales of DX and system products
 - Expanding ultra-precision market due to advances in IT digital technologies

Vision and related initiatives

TOPICS Aluminum chip recycling system for sustainable manufacturing

Our Group company, YUASA NEOTEC, proposed an aluminum chip recycling system as a solution for carbon neutrality. The system reduces greenhouse gas (CO₂) emissions and costs by recycling plant waste.

We will continue to provide not only “needs” but also “seeds” (development of products and services based on our own technology and know-how and new materials we have developed), as well as proposing original products that match the times as a trading company.

WEB <https://www.youtube.com/watch?v=KoU-mjhETZI>



Aluminum chip recycling system

Core Businesses

Living Environment Market Headquarters Housing, Air & Fluidic Control Systems Division



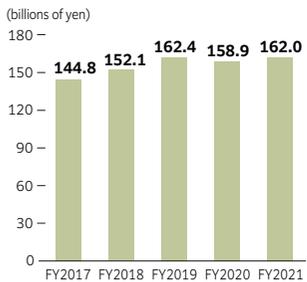
FY2021 Net Sales*

¥162.0 billion

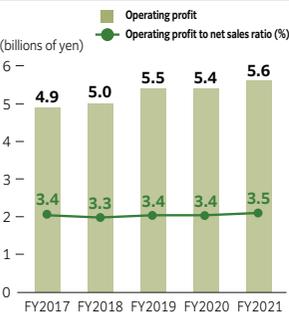
FY2021 Operating Profit

¥5.6 billion

Net sales*



Operating profit/Operating profit to net sales ratio



Business overview of FY2021

Demand for housing equipment remained firm due to an increase in new housing starts and strong demand for renovation. In the renewable energy field, demand for storage batteries and other peripheral equipment increased with a view toward carbon neutrality. At the same time, there were delays in deliveries of water heaters, housing fixtures, pumps, and so on due to shortages in the supply of semiconductors and other related components and activity restrictions caused by the spread of COVID-19 in producing countries.

As a result, net sales for FY2021 were ¥162,038 million (¥158,970 million in the previous fiscal year).

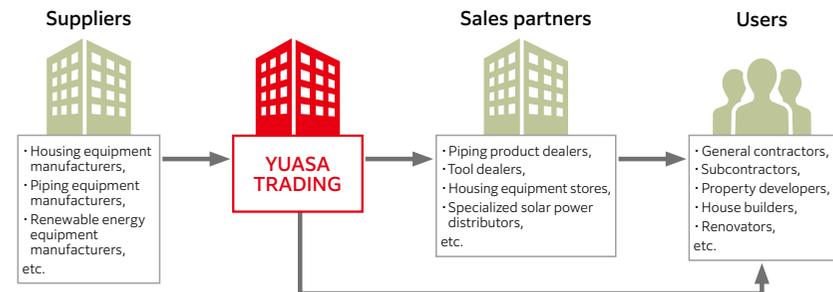
Business fields

[Main markets]

- Piping product dealers,
- Factory and plant engineering companies,
- Housing equipment stores and equipment companies,

- Property developers, builders, and construction companies, etc.

[Main distribution channels]



Business environment analysis

- Strengths**
- Diverse product lineup, centered on housing equipment, pipes, and air conditioning
 - Capability to propose solutions by departments specializing in the environment and energy savings
 - Logistics functions
- Opportunities**
- Expanding renovation market
 - Rising demand for carbon neutrality
 - Rising demand in overseas markets

Vision and related initiatives

TOPICS YUASA QUOBIS offers engineering functions

Our Group company, YUASA QUOBIS, offers added-value integrated technologies and services from proposal through to sales, construction, management, and maintenance. It has expanded its business domains from the housing complex to the detached housing, building construction, and building equipment, as well as the renovation.

Through its October 2022 merger with TOYO SANGYO, another YUASA TRADING consolidated subsidiary. YUASA QUOBIS is also working to strengthen and streamline its construction functions for building material products. This will boost the business and competitiveness of the entire Group in the building materials field in addition to improving business performance and maximizing corporate value.

Three capabilities supporting engineering functions



Core Businesses

Construction Market Headquarters Building Supplies & Exterior Division

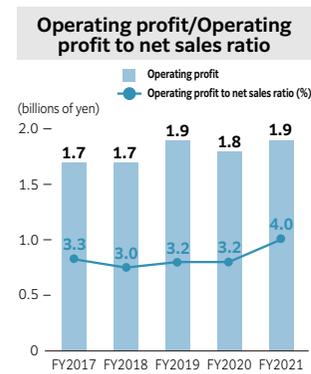
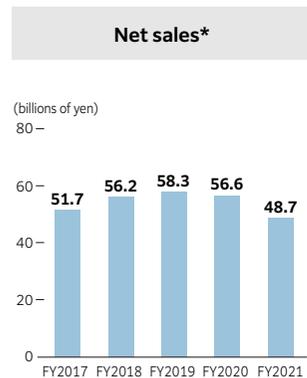


FY2021 Net Sales*

¥48.7 billion

FY2021 Operating Profit

¥1.9 billion



Business overview of FY2021

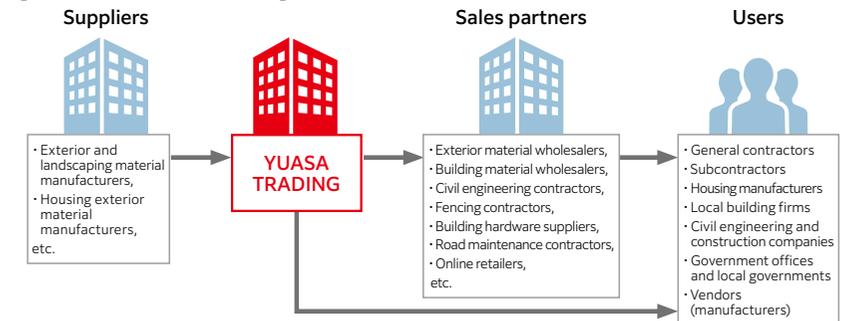
There was a moderate recovery, mainly in landscape exterior products and building hardware products. Investment in public works such as natural disaster measures and measures to prevent traffic accidents remained firm, mainly in the Tokyo metropolitan area. Under these circumstances, in line with the Fundamental Plan for National Resilience, we focused on expanding sales of resilience products, such as bollards (buffer stops) with flood sensors, water stop plates, and aluminum fencing to replace concrete walls with a risk of falling down. As a result, net sales for FY2021 were ¥48,734 million (¥56,624 million in the previous fiscal year).

Business fields

[Main markets]

- General contractors and subcontractors (general contractors for roads),
- Housing manufacturers,
- Local building firms,
- Civil engineering and construction companies,
- Government officers and local governments, etc.

[Main distribution channels]



Business environment analysis

- Strengths**
 - Leading exterior and landscaping materials sales capabilities in Japan
 - Ability to propose solutions by departments specializing in resilience
 - Overseas product and material procurement capabilities
- Opportunities**
 - Demand for updating of social infrastructure
 - Redevelopment projects in major cities
 - Rising investment in traffic-related IoT

Vision and related initiatives

TOPICS Proposal of new lifestyles

Recently, partly due to the COVID-19 pandemic, lifestyles have diversified, and the ways people enjoy themselves have also become more varied. The outdoors, which is receiving renewed attention, is in the midst of a major boom.

Outdoor living has become the focus even within the outdoor market we specialize. In addition to domestic products and materials, the popularity of overseas products has also increased, and there is a growing demand for outstanding design features. We are responding to these changing market needs with "New Lifestyle" as our keyword leveraging the networks we have cultivated to date.



Core Businesses

Construction Market Headquarters Construction Machines Division



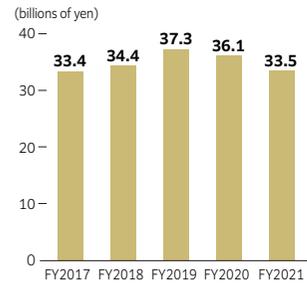
FY2021 Net Sales*

¥33.5 billion

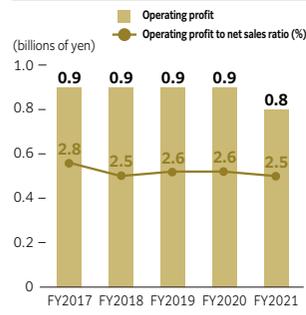
FY2021 Operating Profit

¥0.8 billion

Net sales*



Operating profit/Operating profit to net sales ratio



Business overview of FY2021

Demand was sluggish in certain parts due to construction delays from a shortage of skilled construction workers and revisions to private capital expenditures. At the same time, civil engineering projects related to public works such as infrastructure development, disaster recovery, and disaster prevention/mitigation work remained firm, and demand for construction machinery from rental companies and civil engineering products was also firm, but there were also delays in deliveries for some construction machinery due to the semiconductor shortage. Under these circumstances, we strengthened sales, including expansion of handling of products emphasizing safety measures at construction site. As a result, net sales for FY2021 were ¥33,528 million (¥36,102 million in the previous fiscal year).

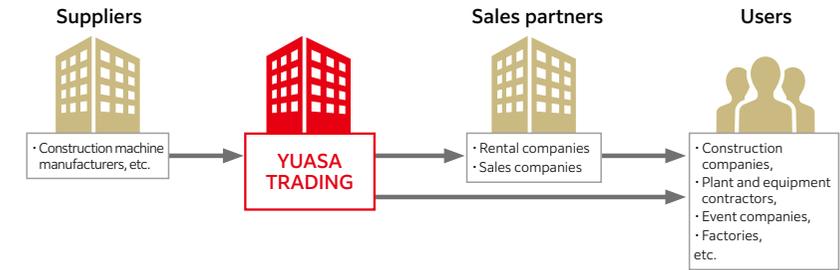
Business fields

[Main markets]

- Construction companies and plant
- Equipment contractors and event companies
- Factories

- Construction machine rental companies
- Agriculture and forestry

[Main distribution channels]



Business environment analysis

Strengths

- Network based on rental company association (YRA)
- Used construction machine sales (YUMAC) business
- Pre-shipment inspection function for imported products (Chubu Center)

Opportunities

- Rising demand for redevelopment of infrastructure to address disasters/disaster mitigation
- Adoption of IoT/ICT on construction sites
- Demand for infrastructure in emerging nations

Vision and related initiatives

TOPICS

YUASA MACROS provides one-stop solutions for events

Our Group company, YUASA MACROS, has leveraged the strengths of the housing and equipment rental business to develop an event production business that listens to the needs and issues of event organizers and proposes solutions. The company provides a one-stop service from planning, quotations, and preparation through to operations on the day for various kinds of events, including induction ceremonies, sports tournaments, exhibitions, anniversary celebrations, inauguration ceremonies, and a variety of parties and other ceremonies.



YUASA MACROS' event business

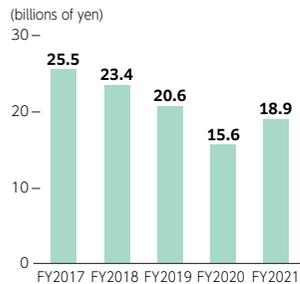
/ Core Businesses

Energy Division

FY2021 Net Sales*

¥18.9 billion

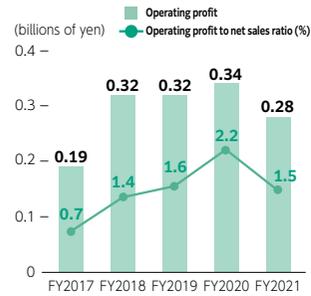
Net sales*



FY2021 Operating Profit

¥0.3 billion

Operating profit/Operating profit to net sales ratio



Business overview of FY2021

Although there was a recovery trend in economic activities despite the impact of the state of emergency declarations in response to the COVID-19 pandemic, the volume of petroleum product shipments continued to decline due to the proliferation of fuel-efficient vehicles and other factors. At the same time, soaring crude oil prices affected the prices of petroleum products such as gasoline and diesel fuel. Under these circumstances, the gas station retail business, which operates mainly in the Tokai area, worked to strengthen car care services such as car washing. As a result, net sales for FY2021 were ¥18,888 million (¥15,555 million in the previous fiscal year).

Functions of the Energy Division

Trading functions

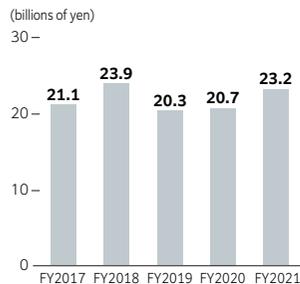
- Operation of gas stations as an energy solution partner for local regions
- Sale of various fuels, including marine fuels, industrial fuels, consumer fuels, petroleum products, and lubricants
- Providing car-life support, including operating of designated car inspection facilities, sales of used vehicles, and providing car coating service

Other (Consumer Products & Timber)

FY2021 Net Sales*

¥23.2 billion

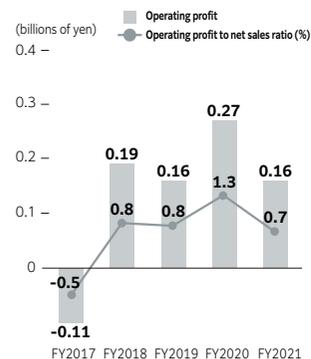
Net sales*



FY2021 Operating Profit

¥0.2 billion

Operating profit/Operating profit to net sales ratio



Business overview of FY2021

In the Consumer Products Business, seasonal household appliances faced difficult sales conditions from the delay in imports due to the impact of lockdowns in response to the COVID-19 pandemic in producing countries.

In the Timber Business, amid the continuing difficult sales situation due to the prolonged impact of the lumber crisis and rising production costs, the division focused on sales of domestically produced lumber while also working to develop new suppliers to expand procurement channels.

As a result, net sales of Other for FY2021 were ¥23,161 million (¥20,687 million in the previous fiscal year).

Functions of Consumer Products & Timber Division

Marketing functions

- Development, import, and sale of seasonal appliances (fans and kotatsu table heaters) and lifestyle and cooking appliances for home centers, consumer electronics retailers, and large-scale supermarkets
- Collection of user needs and development of original consumer electronics (private brand products) to match changes in consumer lifestyles
- Operation of online retail site YUASA PRIMUS.com

Trading functions

- Import and sale of timber and wood products from around the world, including Europe, North America, Russia, China, Southeast Asia, and South America
- Sale of secondary wood products based on strong relationships of trust with domestic manufacturers



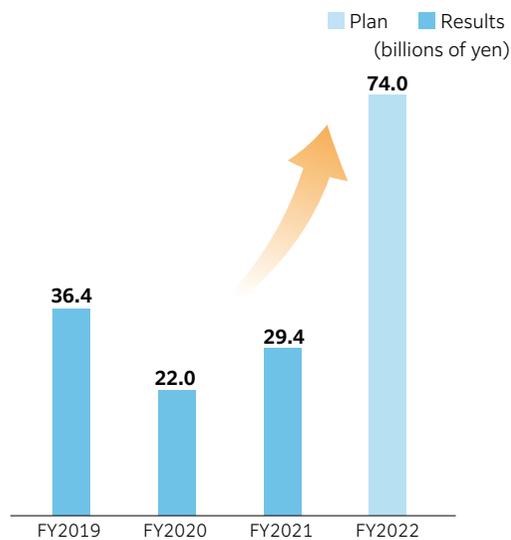
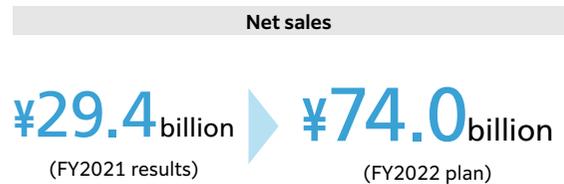
/ Growth Strategy

Overseas Business Connecting the World and Japan

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

► Overview of Growth Strategy

- Concentrates Group business resources on North America, Southern Asia, and Eastern Asia regions.



► Positioning of Overseas Business

In the Overseas Business, major market expansion is expected in the areas of housing and factory construction and infrastructure investment, particularly in emerging countries.

The YUASA TRADING Group takes advantage of the product procurement capabilities and engineering functions cultivated in Japan and the Group's overseas network to capture overseas demand and work to improve the living standards of local people.

Progress of Growing Together 2023

- Exhibited at METALEX, the largest machine tools and metalworking technology exhibition in Thailand and the ASEAN region
- Implemented Thailand project (establishment of mini-YUASA in Thailand with plans to hold Grand Fair in 2025)
- Disseminated information to users through social network in Thailand



Yuasa Engineering Solution Thailand social network page



500 companies and 775 people visited METALEX. (March 9 – 12, 2022)

TOPICS

Yuasa-YI, INC., our Group company, exhibited at IMTS2022 (the biggest trade fair for manufacturing technology in the U.S.)

Yuasa-YI, INC. exhibited at IMTS2022 (International Manufacturing Technology Show 2022), the biggest trade fair for manufacturing technology in the U.S., which was held from September 12 – 17, 2022 in the U.S. Although it was the first time the trade fair had been held in four years, partly due to the impact of COVID-19, it was a lively event with around 86,000 visitors.

Many of the customers at the booth were highly purchase-oriented and brought with them work they actually wanted to process or made requests for specific processing considerations. Working with various manufacturers, we were able to promote the products on display that met a variety of customer needs, such as state-of-the-art machinery, automation, and process consolidation. Employees made concerted efforts to follow up with sales activities, including visits to interested customers after the trade fair.



/ Growth Strategy

Robot (AI) & IoT Business

Connecting Data/Technology and People

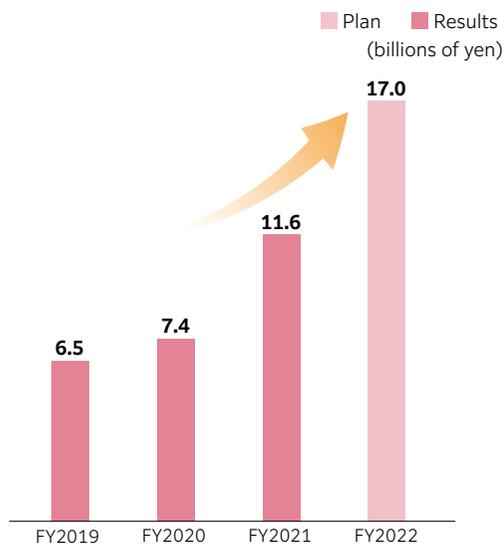
Proposes Robot (AI) & IoT solutions with the key concept of automation easily at a low price.

▶ Overview of Growth Strategy

- Aims to grow our entire customer network through proposals for cutting-edge AI/IoT and robot technology.

Net sales

¥11.6 billion (FY2021 results) ▶ ¥17.0 billion (FY2022 plan)



▶ Positioning of Robot (AI) & IoT Business

Through a large number of projects, the YUASA TRADING Group has put forward proposals for labor saving, streamlining, and environmental improvement solutions in factories as well as proposals for automated production lines overseas.

Taking advantage of our network as an Integrated Service Shosha Group in addition to our many years of on-site expertise and the AI technology capabilities of connectome.design inc., the YUASA TRADING Group will continue to solve customer problems with our ability to coordinate the creation of the future society.

▶ Progress of Growing Together 2023

- Published our AI solution website that provides one-stop support for every step in the process of introducing AI
- Proposed a broad range of AI solutions at exhibitions, including Grand Fair, FOOMA JAPAN, ROBOT TECHNOLOGY JAPAN, and AI EXPO
- Expanded sales of the robot system "Robo Combo" that realizes automation easily at a low price

WEB <https://ai-yuasa.com/>



AI solutions website

TOPICS AI contaminant inspection device for beverages

In the beverage industry, visually checking for contamination after bottles and other containers have been filled with liquids is a demanding task. We have used the AI technology capabilities of our business alliance partner connectome.design inc. to jointly develop a device that can distinguish between bubbles, foreign matter, and scratches using AI with a machinery manufacturer.



Contaminant inspection device for beverages on display at FOOMA JAPAN

/ Growth Strategy

Eco & Energy Solution Business Connecting the Future and Smart Energy

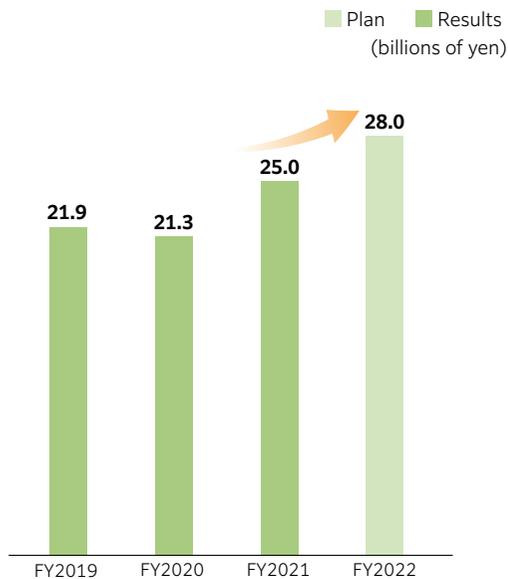


Provides customers with support for carbon neutrality through one-stop solutions.

► Overview of Growth Strategy

- Aims to realize a decarbonized society through renewable energy for efficient use of energy and ensuring resilient lifeline infrastructure.

Net sales



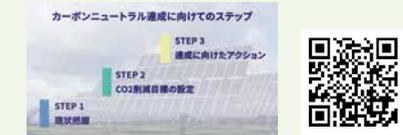
► Positioning of the Eco & Energy Solution Business

The introduction of renewable energy to realize carbon neutrality and initiatives to reduce CO₂ emissions by ensuring energy conservation are now trends with a direct connection to corporate value. In 2009, we led the industry in rolling out YES-net, an energy management system that enables current CO₂ emissions to be assessed as the first step toward carbon neutrality. We offer a one-stop system for optimal services based on the environmental solution know-how we have accumulated to date.

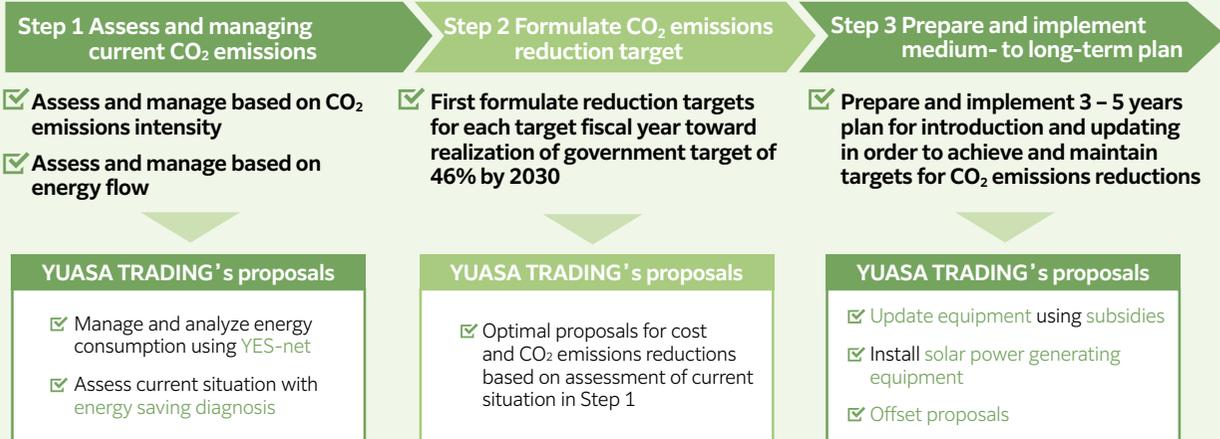
Progress of Growing Together 2023

- Deploy solutions that combine solar power generation, storage batteries, and V2H
- Support conversion of factories to 100% renewable energy

TOPICS Our solutions for achieving carbon neutrality



Carbon neutrality support video



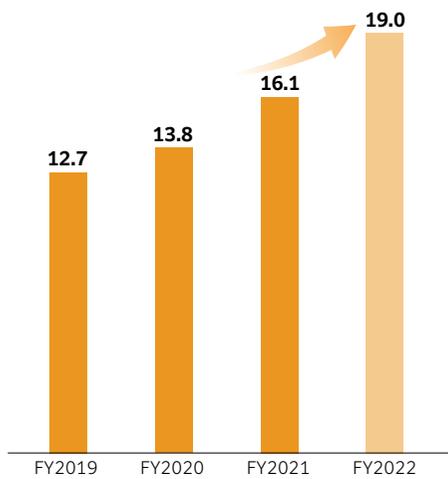
/ Growth Strategy

New Distribution Business Connecting Information Platforms with Business Partners

Expanding our electronic trading business (Growing Navi) together with business partners.

► Overview of Growth Strategy

- Expand the e-commerce business across divisions and enhance the functionality of the Growing Navi site. (Enhance search functions, deploy B-to-B-to-U, etc.)



► Positioning of New Distribution Business

The e-commerce business has become more important due to the spread of COVID-19 in addition to the digitalization of business.

YUASA TRADING will utilize Growing Navi for transactions that are possible through e-commerce and promote it as a digital sales tool for an era of living with COVID-19.

Progress of Growing Together 2023

- Increase order amount for Growing Navi (FY2022 results ¥5.4 billion → FY2023 plan ¥10.0 billion)
- Deploy B-to-B-to-U platform that ties together sales partners and users (from April 2021)
- Promote provision of products at one-stop-shop through the across divisions New Distribution Business Division



Growing Navi homepage

TOPICS Deployment of Growing Navi B-to-B-to-U

From May 2018, YUASA TRADING has operated a B-to-B site called “Growing Navi” that connected sales partners with the company. From April 2021, we have been operating a B-to-B-to-U system that connects sales partners (B) with users (U).

Sales partners can use the system as their own e-commerce site.

Benefits for sales partners

- Can be used as digital sales tools in the COVID-19 and post-COVID era
- Can list inventory and price information
- Simple set up to be usable from the next day

■ Concept of Growing Navi B to B to U



Growing Navi has been developed as an e-commerce site for sales partners.



Introductory leaflet for Growing Navi B to B to U

/ Growth Strategy

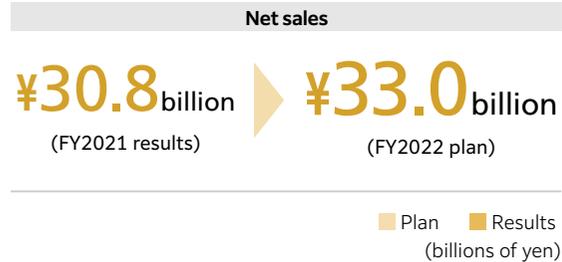
Resilience & Security Business Connecting Security Technology and BCP Know-How



Connects security technology and BCP know-how to maintain safety and security while continuing business.

► Overview of Growth Strategy

- We promote safe and secure manufacturing, home building, and town building with disaster prevention, disaster mitigation, and BCP as our keywords.



► Positioning of the Resilience & Security Business

Since 2012, we have been working continuously to promote products and services related to disaster prevention, disaster mitigation, and business continuity that lead to the resilience of social infrastructure. We utilize the know-how we have cultivated to date to combat new social issues such as increasingly severe natural disasters and COVID-19 with the aim of realizing a safe and secure society.

Progress of Growing Together 2023

- Made the Resilience & Security Office a company-wide division, further improved proposal capabilities. P.35
- Eight consecutive years of winning the Japan Resilience Award P.35
- Sold aluminum privacy fence "YACHIBEI®" used for improving concrete walls (Won Award for Excellence, Japan Resilience Award 2022) P.35
- Held the Northern Kanto and Shinetsu Resilience & Security/ESG Fair (Won Award for Superior Performance, Japan Resilience Award 2022) P.38



TOPICS

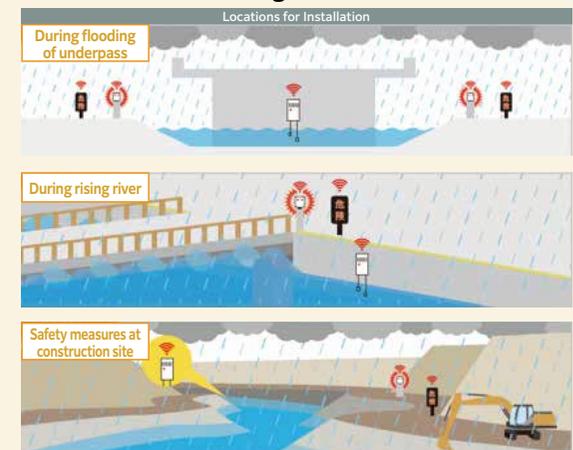
New flood detection and warning system KIZUKI MIRAI SIGNAL

We proposed "KIZUKI MIRAI SIGNAL" flood detection and warning system for inland flooding and rising rivers in urban areas due to flash torrential rains. When the base unit, which has a flooding sensor, detects flooding, flood information is displayed. The system protects valuable lives and equipment from flood damage by preventing gridlock due to flooding, through the provision of warnings about flooded underpasses, for example.

■ Flow during flooding



■ Location where flooding sensor is installed



/ Growth Strategy

Agriculture Process Business Creating Next-generation “Earning Agriculture”



We solve problems for producers and propose next-generation earning agriculture.

► Overview of Growth Strategy

- Develop and propose robots and machinery that support smart agriculture
- Develop agriculture-related equipment through collaborations with supplier manufacturers

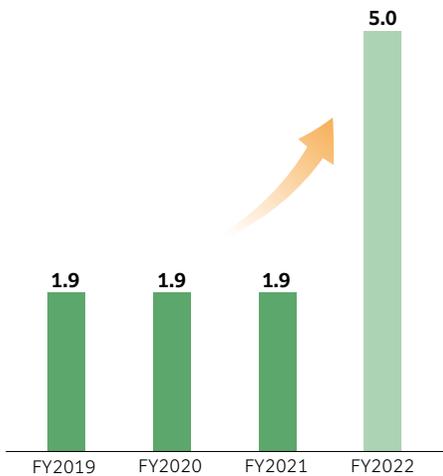
► Positioning of Agriculture Process Business

Positioned as a growth area under the 1st stage (previous Medium-term Management Plan) to address the aging and decrease of the agricultural workforce, we developed and proposed products to reduce the workload of famers and realize efficient agriculture. Hereforth, we will propose next-generation “earning agriculture” as a pillar of our business activities.

Net sales

¥1.9 billion (FY2021 results) ▶ ¥5.0 billion (FY2022 plan)

■ Plan ■ Results (billions of yen)



Progress of Growing Together 2023

- Propose original rolling machine that can mix feed using raw materials available in Japan
- Commence sale of “Own Greens,” the world’s first independent hydroponic system
- Delivered over 2,000 UV-B fluorescent lamps to strawberry farmers
- Exhibited at Agriculture Week (a comprehensive agriculture and livestock exhibition)



“Own Greens” independent hydroponic system

TOPICS

Transportation system for harvesting work

With a rail attached to the frame of a greenhouse, harvesting work can be performed while seated in the swing attached to the system rail. It is also possible to move horizontally together with the harvest basket. Watering can also be performed by suspending a sprinkler from the system rail. The system reduces physical strain due to working for long periods in a crouching or squatting position and contributes to greater efficiency and labor savings in harvesting work.



Contributing to greater work efficiency and labor savings with a hanger rail and pulley

/ Growth Strategy

Long-term Care & Medical Business

Connects Next-generation Long-term Care and Medical Services

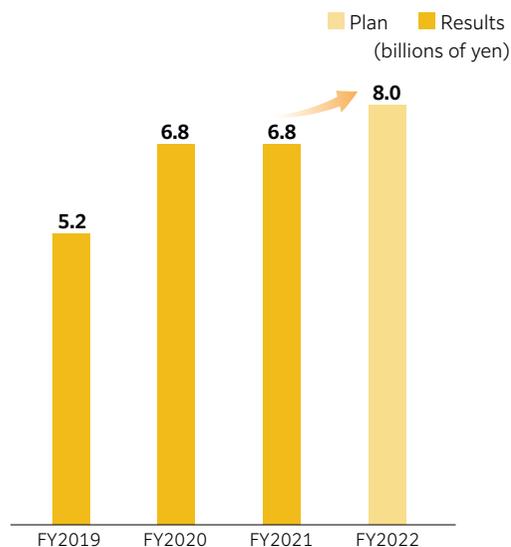
Proposes both hard and soft solutions for comfortable living in an aging society.

► Overview of Growth Strategy

- We combine the collective strength of the Group to provide support for improving long-term care and medical facilities.

Net sales

¥6.8 billion (FY2021 results) → ¥8.0 billion (FY2022 plan)



► Positioning of Long-term Care & Medical Business

We will provide support for improving long-term care and medical facilities to solve social issues such as the aging society, labor shortages, and disruption to medical facilities due to infectious diseases.

We not only offer sales of sterilization and sanitation products to combat infectious diseases and equipment and machinery for facilities, such as power assist suits and long-term care and rehabilitation equipment, but also combine the collective strength of the YUASA TRADING Group to propose infection control houses and other solutions.

Progress of Growing Together 2023

- Project to install remote pre-fabricated ICU wards for developing countries
- Propose infection control house for medical facilities and mass vaccination sites
- Promote measures to combat infectious diseases for long-term care and medical facilities that utilize subsidies

Ozone generator. Deodorizes and removes viruses by generating low concentration ozone with no impact on the human body (OHNIT CO., LTD.)



TOPICS

Implementation of project to install remote pre-fabricated ICU wards

We have been working with Japan International Cooperation Agency (JICA) on a project to install remote pre-fabricated ICU wards.

Under the project, wards for patients with severe COVID-19 in developing countries are pre-fabricated and intensive care is provided from Japan using a remote ICU system. Our Group company, FUJI QUALITY HOUSE provided support with delivery of the pre-fabricated hospital wards and air conditioning equipment, and we will extend the project to other developing countries after installation and handover in Kenya and Palau from June 2022 onward.

Remote Pre-fabricated ICU ward (Kenya)



/ Growth Strategy

Sharing Business

▶ Positioning of Sharing Business

In the future, there is expected to be a shift from ownership to sharing in various sectors due to an expansion in the approach to consumption that calls for a broad range of benefits, including for the global environment and social contribution.

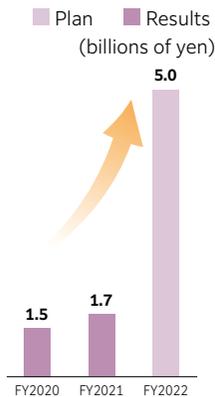
We offer a wide-ranging product lineup aligned with market needs for construction sites, various events, and the rental business.

▶ Overview of Growth Strategy

- Fields under consideration for the Sharing Business
 - Factory equipment, industrial equipment, robots
 - Various logistics center functions
 - Trunk rooms utilizing empty space
 - Service and maintenance field
- Create sharing platform

Net sales

¥1.7 billion
(FY2021 results) → ¥5.0 billion
(FY2022 plan)



Progress of Growing Together 2023

- Provided temporary toilets for event venues
- Formed partnership with rental company to start e-commerce rental business for other industries

TOPICS

Launch of “Kariru Net” online industrial and lifestyle rental business

E-commerce rental service that enables rentals using electronic payments

WEB

<https://www.karirunet.com/>


Food Equipment Business

▶ Positioning of Food Equipment Business

We promote total proposals for the optimal facilities and equipment in the supply chain with food safety as the keyword, rather than selling actual food products.

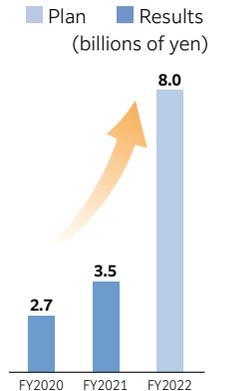
We will apply know-how cultivated by the specialist team that currently handles food equipment in Japan and overseas to realize safe, low food loss, high productivity smart factories.

▶ Overview of Growth Strategy

- Promote total proposals to realize smart food factories
- Strengthen sales of food equipment/factory logistics equipment
- Propose testing equipment that prevents the mixing of outside substances (improve food safety)
- Support introduction of HACCP to improve food safety and ensure quality management
- Propose environment improvements (air conditioning, air purification, lighting, etc.)

Net sales

¥3.5 billion
(FY2021 results) → ¥8.0 billion
(FY2022 plan)



Progress of Growing Together 2023

- Developed original rewritable laser system
- Proposed equipment for picking up food ingredients
- Proposed testing equipment that prevents the mixing of outside substances

TOPICS

Equipment for picking up food ingredients utilizing haptic technology under development

We have been promoting development to incorporate haptic technology which adjusts the degree of force in accordance with the object.



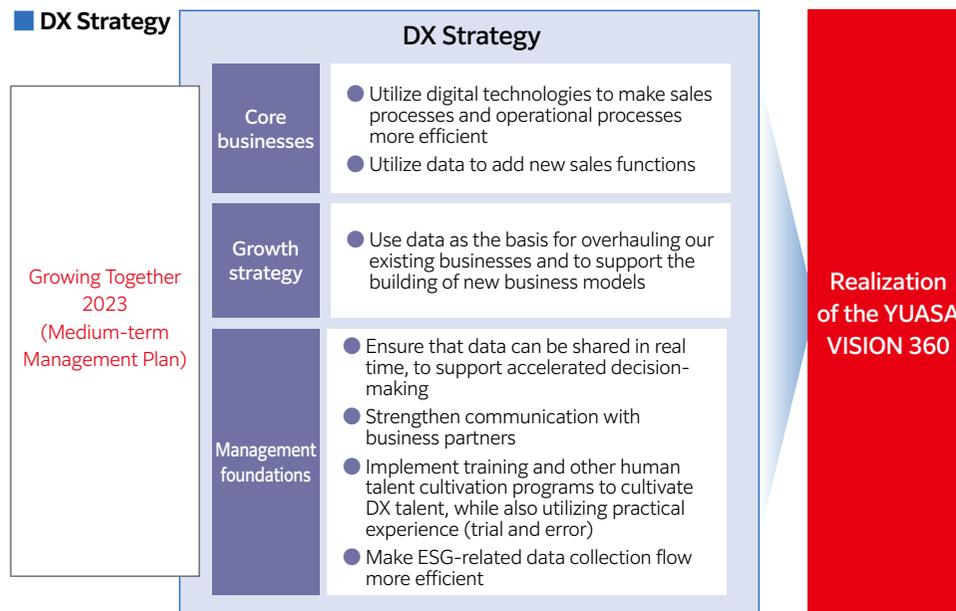
Picking up chopped green onions

／ Promotion of Digital Transformation (DX)

Aiming to become a digital trading company with “Integrated Product-Service” through DX promotion, we plan to shape our know-how and experience into data as much as possible, as well as collating general market data and the information obtained from our network of current suppliers and sales partners. By analyzing this data, we can link it to new services and proprietary product development that solves social issues, to realize the shift from “Single Item Business” to “Integrated Product-Service.”

Positioning of Our DX Strategy

To help realize the YUASA VISION 360 and achieve the goals of the Growing Together 2023 plan, we have formulated a DX strategy to support our core businesses, growth strategy and management foundations.



IT Digital Investments

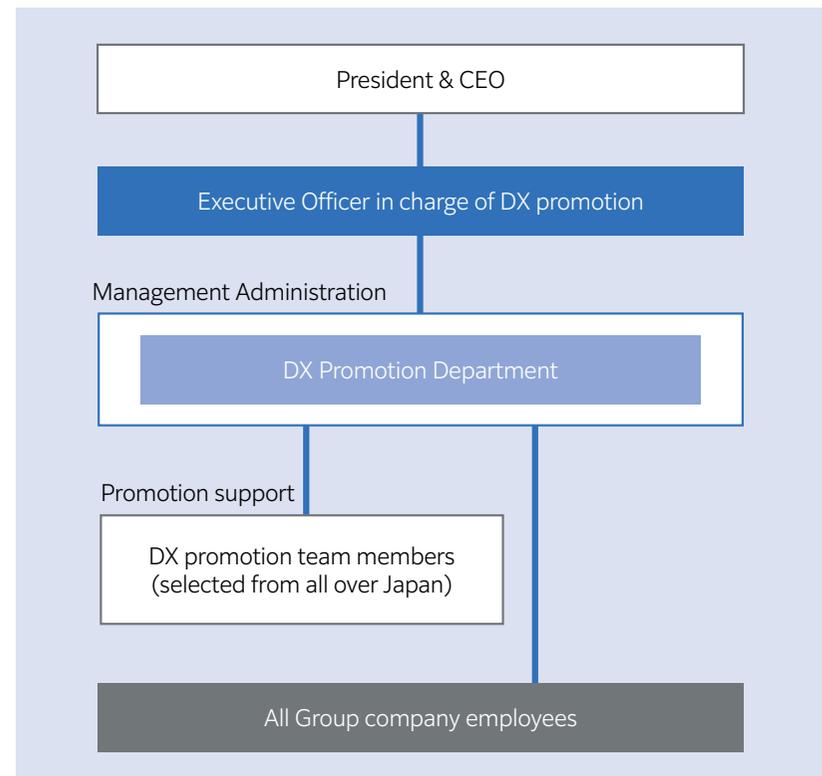
¥4.0 billion + ¥8.0 billion = ¥12.0 billion

FY2020 – FY2022 FY2023 – FY2025 FY2020 – FY2025

Establishment of the DX Promotion Department

To facilitate the formulation of the DX promotion strategy and the operation of a system for effective accumulation and utilization of data, in April 2022 we established a new DX Promotion Department composed of experienced sales personnel with IT know-how and personnel with system establishment experience.

DX Promotion Structure



／ Promotion of Digital Transformation (DX)

To realize the transformation from “Single Item Business” to “Integrated Product-Service,” we have begun the process of data collection and collation with the aim of using accumulated data collected from a variety of customer touchpoints to analyze customers’ sentiments and behavior, so that we can build a new business model from a customer-focused perspective.

Promotion Implemented in Phases – Offensive, Intermediate, and Defensive

▶ We are promoting DX in the YUASA TRADING Group in three phases: Offensive, Intermediate, and Defensive



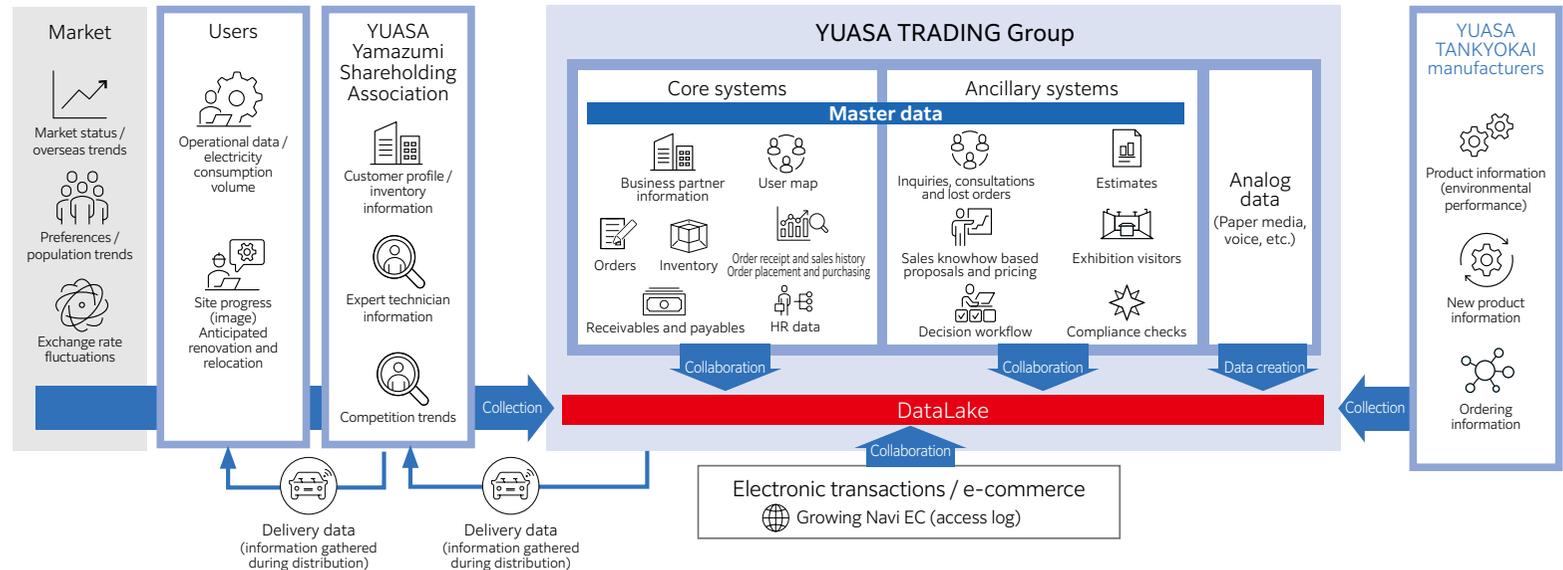
Promote Business Originated in Data

▶ **Adoption of the SFA sales support system to improve our ability to respond to business partners’ needs**

With the adoption of an SFA system starting from 2020, we are aiming to enhance customer satisfaction through the sharing of data accumulated through day-to-day sales activities.

▶ **Enhancing our ability to offer proposals at the Grand Fair**

By converting information relating to visitors to the Grand Fair event into digital data, we are able to strengthen follow-up after the event.



TSUNAGU – Connecting to the Future

Harmony with the Global Environment Initiatives to achieve carbon neutrality (climate change mitigation strategies)

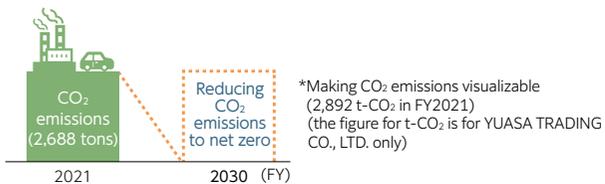
Besides promoting carbon neutrality for the YUASA TRADING Group, we will also utilize the environmental solution know-how that we have accumulated over the years to contribute toward the realization of the post-carbon society.

► Medium- and long-term environmental objectives

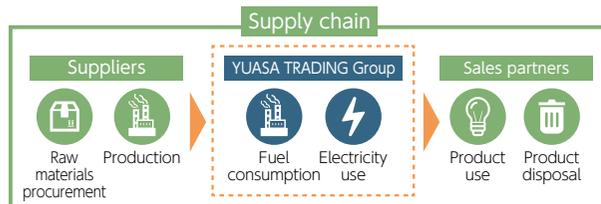
The YUASA TRADING Group recognizes that the need to respond to climate change is a pressing issue. In October 2021, we formulated a Sustainability Declaration, and we are aiming to make the Group as a whole carbon-neutral by FY2030. To work toward our goal of achieving carbon neutrality, besides making the CO₂ emissions of the entire Group visualizable from 2022 onwards, we are also implementing CO₂ reduction potential diagnostics with surveys of air conditioning and lighting facilities at each business site. Henceforth, in addition to reducing the amount of electricity purchased, through measures such as operations improvements and updating to more efficient equipment, we will also be considering the adoption of renewable energy. We will be steadily replacing company vehicles that consume substantial amounts of gasoline with more eco-friendly vehicles.

In addition, in March 2022, we announced our support for the TCFD, and we are promoting disclosure of climate change related information.

■ Pursuing carbon neutrality across the entire YUASA TRADING Group



■ Striving to reduce the burden on the environment throughout the entire supply chain

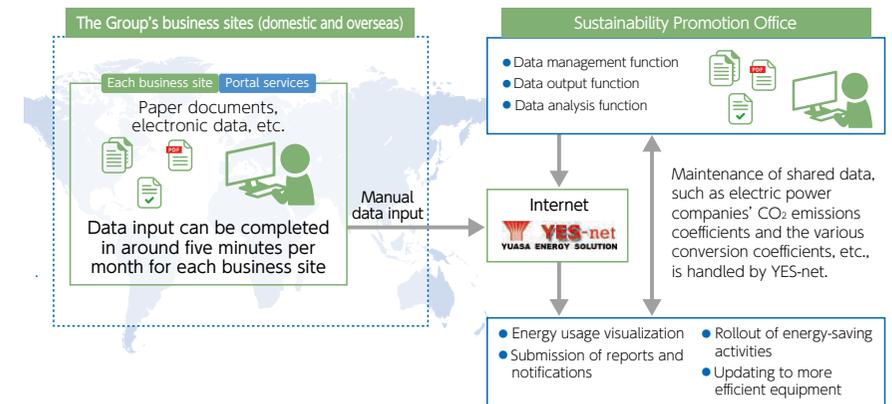


► Initiative to monitor the energy usage of YUASA TRADING and of our business partners (YES-net)

In 2009, YUASA TRADING led the industry in the adoption of an integrated energy management system, YES-net, which has helped our business partners to enhance their environmental performance and supported the visualization and reduction of companies' CO₂ emissions. We view the global trend toward carbon neutrality as a business opportunity for the Group, and we will be promoting this business area further in the future.

To realize the calculation of CO₂ emissions within the Group, we are using YES-net to calculate energy usage at all of the Group's business sites (a combined total of 192 sites, both domestic and overseas).

■ Usage within YUASA TRADING Group



What is YES-net?

Carbon neutrality can be achieved through the visualization of CO₂ emissions.

YES-net is a system that efficiently collects, collates and manages energy usage data for the company as a whole to enable visualization of CO₂ emissions.



Easy input

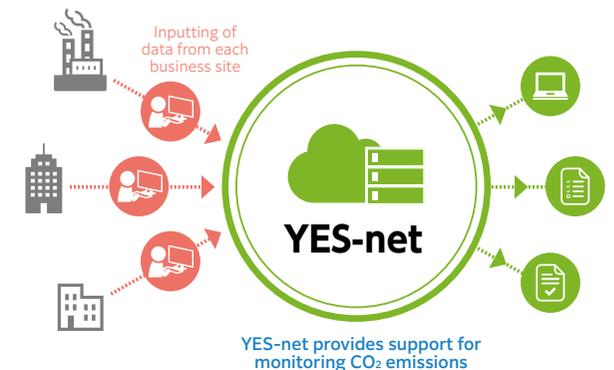
The only data that needs to be inputted is the usage figure given on the monthly bill (taking around five minutes per month to complete).

Low fees

Two payment plans are available. Monthly usage charge: Starting from 1,000 yen per site

A convenient system

Company-wide CO₂ emissions can be displayed in tabular or graphic form to view at a glance.



/ TSUNAGU – Connecting to the Future

Harmony with the Global Environment Initiatives to achieve carbon neutrality (climate change mitigation strategies)

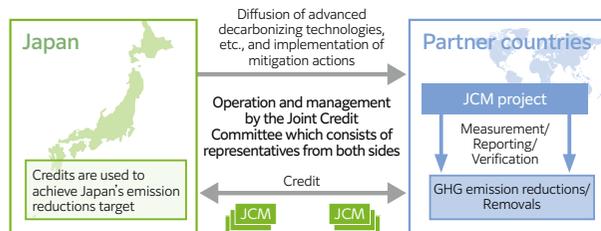
▶ Participating in the City-to-City Collaboration for Zero Carbon Society programme

The YUASA TRADING Group has been striving to improve the global environment by conducting initiatives that utilize the Joint Crediting Mechanism (JCM, a bilateral carbon credit system), which contributes to the reduction of greenhouse gases in developing countries.

We have been participating in the City-to-City Collaboration for Zero Carbon Society programme which Japan's Ministry of the Environment developed, in order to further strengthen our overseas infrastructure presence through the JCM.

In FY2021, we took part in an online workshop with Ho Chi Minh City, and gave a talk about our initiatives in relation to the JCM system. Hereforth, we will be contributing toward helping developing countries to balance economic growth with environmental protection through the provision of support for JCM project formation.

■ Overview of JCM



■ Workshop in progress



Content of the lecture given by YUASA TRADING



The venue in Ho Chi Minh City

▶ Forests × Decarbonization Challenge 2022 (YUASA LUMBER)

Our Group company, YUASA LUMBER CO., LTD., has been conducting tree thinning and planting activities in a total of 102.26 hectares of forest in three areas that it owns in Hokkaido. In the Forestry Agency's "Forests × Decarbonization Challenge 2022" initiative, YUASA LUMBER has been recognized as a "Green Partner 2022" that has contributed toward decarbonization through its forest improvement activities. The amount of CO₂ absorbed by the forests that YUASA LUMBER conducted improvement work on over the period between 2020 to 2021 was 22 t-CO₂ per year.

Henceforth, YUASA LUMBER will be contributing toward the industrial revitalization of the local community by promoting the utilization of timber obtained through thinning, and through forestry education* activities and workshops for educational institutions.

*Forestry education

The term "forestry education" is used to refer to activities aimed at cultivating citizens who will contribute toward strengthening ties with forestry, creating enriched lifestyles, developing society, and developing forests.



The company-owned forest in Hokkaido that tree thinning was conducted for forest restoration



The Green Partner 2022 designation that YUASA LUMBER received

▶ Promoting wooden construction

The YUASA TRADING Group is promoting medium- and large-scale wooden construction through the adoption of the "Ichu Wood Frame Structure," a new wooden construction technique, and by strengthening coordination with YUASA LUMBER, a Group company.

Japan is a heavily forested country, with forested land accounting for around two-thirds of the country's land area. The trend toward the adoption of wooden structures and wooden interior decoration has received highly positive evaluation, as aiming to foster the effective utilization of timber and realize forest resource circulation can help to combat global warming, safeguard national land resources, and invigorate the local economy.

Having started with the construction of a hospital using the "Ichu Wood Frame Structure" technique, going forward we will contribute toward the building of a post-carbon society and a sustainable society through the adoption of wooden structures and wooden interior decoration.

■ Adoption of wooden structures and wooden interior decoration



Hospital built using the "Ichu Wood Frame Structure" technique



Use of wood for interior decoration



/ TSUNAGU – Connecting to the Future

Harmony with the Global Environment

Initiatives aimed at realizing a resilient society

In response to the increasing severity of natural disasters, we are promoting the development of our Resilience & Security business, aiming to contribute toward the building of communities and societies characterized by safety and security.

▶ Eight consecutive years of winning the Japan Resilience Award

The Japan Resilience Awards are a system of discovering, assessing, and awarding forward-thinking initiatives across Japan for the construction of a resilient society for the next generation. The Awards were established by the Association for Resilience Japan in November 2014.

In FY2022, the YUASA TRADING Group received a total of two awards, including one award for excellence and one award for superior performance.

Henceforth, in order to respond to diverse needs relating to national resilience, we will be focusing on initiatives that effectively utilize our extensive networks, and on the development, sale and dissemination of related products and systems.



■ YUASA TRADING's performance in the Japan Resilience Awards to date

- 1st Japan Resilience Awards:
Gold Medal for "National Resilience Communication Activities in the Fields of Industry and Daily Life"
- 2nd Japan Resilience Awards:
Chairman's Award for "Initiatives Aimed at Building Resilient Distribution Platform Infrastructure"
- 3rd Japan Resilience Awards:
Award for Excellence for "Development of the Tourist Terminal Togendai Station in Hakone as a Resilient Station"
- 4th Japan Resilience Awards:
Outstanding Resilience Award for "Development and Dissemination of the City Connect 'Light Station'"
(in collaboration with KIKUKAWA KOGYO CO., LTD. and PIJIN Co., Ltd.)
- 5th Japan Resilience Awards:
Award for Excellence for "Mirainnovation Project" (in collaboration with seven other companies)
- 6th Japan Resilience Awards:
Award for Superior Performance for "Development and Dissemination of a 'Disaster-preparedness Electricity Storing Warehouse' that Combines a Disaster-resistant Warehouse with a Solar Power Electricity Storage System" (in collaboration with INABA SEISAKUSHO Co., Ltd. and San-Eisha Ltd.)
- 7th Japan Resilience Awards:
Outstanding Excellence Award for "ElepHunter Sanitation Robot"
Outstanding Excellence Award for "Infection Reduction House" (FUJI QUALITY HOUSE CO., LTD.)
Award for Excellence for "Bollard with Flooding Sensor" (in collaboration with SUNPOLE CO., LTD. and OYO Corporation)
Award for Excellence for "ITENE Reservation Management System for All Construction Types" (YUASA QUOBIS Co., Ltd. and DandoLi Works)
- 8th Japan Resilience Awards:
Award for Excellence for "YACHIBEI®" (in collaboration with Inahachi Co., Ltd. and Kankyo Exterior Co., Ltd.)
Award for Superior Performance for "Resilience, Security and ESG Initiatives Making Effective Use of the Company's Own Original Exhibition Events"

▶ An aluminum privacy fence, YACHIBEI®, used for improving concrete walls

YUASA TRADING worked together with Inahachi Co., Ltd. and Kankyo Exterior Co., Ltd. to develop YACHIBEI®, an aluminum privacy fence system. Customers can use the existing pillars of concrete fencing and replace the heavy concrete panels with the light aluminum panels of YACHIBEI® in order to reduce costs, cut construction times, and limit industrial waste emissions.

Large numbers of pre-cast reinforced concrete fences were constructed in Japan from the 1950s through into the 1970s, and they are still a common sight. However, as these fences have grown older and deteriorated, the risk of them collapsing in the event of an earthquake has grown. Unfortunately, rebuilding or repairing this type of fencing can be very expensive, so many of them have been left in a dangerous condition. YACHIBEI® uses the existing foundations and pillars of concrete fencing, thereby reducing costs, cutting construction times, and limiting industrial waste emissions. In addition, the use of lightweight aluminum panels significantly reduces the risk of injury in the event of collapse. YACHIBEI® also allows more flexibility in terms of design, so fencing can be modified to suit the appearance of the particular street or site where the fencing is installed. YACHIBEI® fencing is already in use at 18 facilities, including locations belonging to a major gas company, temples and shrines, etc. The widespread adoption of this product will contribute toward urban development that is characterized by greater safety and security.



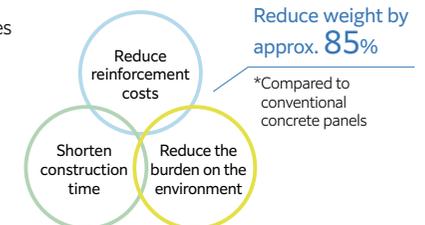
Before



After

■ Advantages of YACHIBEI®

- Mitigate the damage caused by collapsing due to earthquakes through the use of lightweight aluminum panels
- By reusing the existing pillars and foundations:
 - (1) Reduce reinforcement costs (reducing costs by approx. 35% compared to conventional repair methods)
 - (2) Shorten construction time
 - (3) Environmentally-friendly product that reduces emissions of industrial waste
- Improves design flexibility with pillar covers and top rails



／ TSUNAGU – Connecting to the Future

Harmony with the Global Environment Initiatives related to climate change (TCFD-based information disclosure)

Climate change is an issue of great importance that must be addressed on a global scale. Having decided to set ourselves the goal of making the YUASA TRADING Group as a whole carbon neutral by FY2030, in March 2022 we expressed our support for the recommendations of the TCFD. Our initiatives in this area to date are outlined below. Henceforth, we will continue to expand our information disclosure in this regard.

▶ Governance

Viewing risks, opportunities and impacts relating to climate change as important matters to do with business strategy and sustainability, the Board of Directors deliberates on these matters and decides on related strategies, etc. In October 2021, we established a new Sustainability Promotion Committee (see [P.15](#) and [P.48](#)), which meets regularly for the members—including directors and executive officers—to discuss relevant matters.

To implement monitoring of climate change related indicators, as well as target management and various types of risk management, personnel in charge of sustainability promotion has been appointed at each business site, and we are undertaking management in this area on a Group-wide basis.

▶ Strategy

As an Integrated Service 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. With regard to those businesses and fields that will be affected, besides making appropriate changes and implementing risk management, we are also working proactively to exploit business opportunities during the transition period that arise from changes in government policies, regulations and the market environment, with the aim of realizing sustainable growth.

Regarding our businesses, so that we can contribute toward emissions reductions by society as a whole, it is important for us to reduce emissions during the manufacturing and use of the products and services that we handle. In addition to providing support to help our suppliers introduce renewable energy at their manufacturing facilities, etc., in order to reduce emissions deriving from product use by our sales partners and their customers, we are expanding the range of energy-saving products and products for post-carbon society that we handle.

We are also continuing to promote the growth of our Resilience business, in response to the increasing severity of natural disasters, and to the physical risks associated with climate change.

To achieve our goal of bringing CO₂ emissions for the Group as a whole down to net zero by FY2030, we are combining the adoption of renewable energy (from solar power) with a switch to more efficient equipment and the purchase of electricity generated using renewable energy.

Name of division / business	Main products and services that can contribute toward saving energy and reducing emissions
Industrial Equipment & Tools	Compressors, motors, electric cylinders, etc.
Machine Tools	Various types of energy-saving machine tools, etc.
Housing, Air & Fluidic Control Systems	High-performance air-conditioning equipment, photovoltaic systems, storage batteries, etc.
Building Supplies & Exterior	LED lighting, roof greening, etc.
Construction Machines	Compressors, motors, etc.
Eco & Energy	Support for renewable energy adoption, software sales, etc.
Resilience & Security	Flooding detection transmission systems, warehouses with emergency power supply, etc.

▶ Risk management

YUASA TRADING’s businesses are mainly built on transactions with large companies, larger medium-sized companies and SMEs across a wide range of industries in Japan. We are thus exposed to a wide variety of risks in relation to climate change, including regulatory and policy changes, changing customer needs, and the changing economic and social environment.

Regarding the response to the risks that relate to our businesses, each division undertakes an assessment of changes in relevant regulations and in the market environment, and responds appropriately. In addition, in order to implement risk management for the supply chain as a whole, we have formulated a transaction policy, and we are spreading awareness of this strategy both inside and outside the company.

As regards physical risk relating to climate change, we have performed surveys of flooding and landslide risk for each business site in Japan (a total of around 150 sites). In the case of sites located in areas where there is particularly high risk, we are proceeding with risk management to reconfirm that these sites are effectively integrated into the Group’s business continuity planning (BCP).

Henceforth, we will be confirming the climate change related risk for each business site, both domestic and overseas, and for our key suppliers, and we will be implementing integrated management of this risk in conjunction with our internal risk response measures, etc.

▶ Indicators and targets

Besides aiming to make the YUASA TRADING Group as a whole carbon neutral by FY2030, we will also be striving to reduce the environmental burden throughout the supply chain.

Starting from FY2021, we have been calculating emissions for each Group company, both domestic and overseas, and we have begun implementing various measures aimed at reducing emissions. Furthermore, in order to drive a reduction in overall emissions in the entire supply chain through our business, we have also begun to calculate the emissions associated with manufacturing the products that we handle.

■ YUASA TRADING Group’s emissions (FY2021)

	Scope1	Scope2	Scope3
YUASA TRADING CO., LTD. (non-consolidated)	Approx. 2,900 t-CO ₂		Under calculation
Domestic and overseas Group companies	Under calculation		

/ TSUNAGU – Connecting to the Future

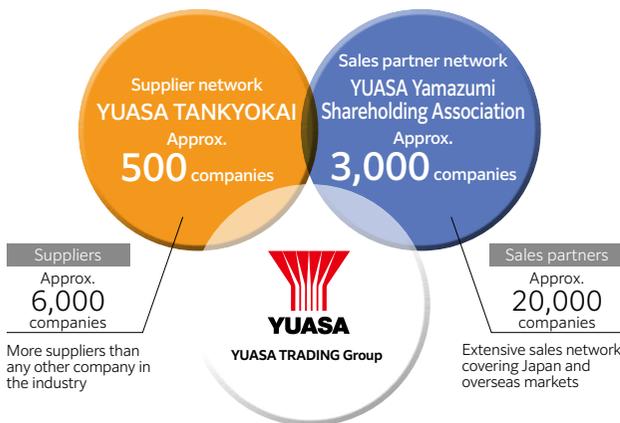
Business Activities for Service with Good Products

 Relationship with business partners

By maintaining a strong relationship with sales partners and suppliers, we realize fair, true and transparent transactions.

▶ Integrated business model

We promote our Core businesses and Growth businesses through an integrated network connecting our sales partner group called the “YUASA Yamazumi Shareholding Association,” a supplier group called the “YUASA TANKYOKAI,” and the YUASA TRADING Group.



▶ Formulation of the transaction policy

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.

We have formulated the YUASA TRADING Group Transaction Policy to promote management that emphasizes sustainability, including the maintenance of harmony with the global environment, together with our various stakeholders.



Transaction Policy

▶ YUASA TANKYOKAI

The YUASA TANKYOKAI is a supplier group that was founded in 1977, with approximately 500 member companies throughout Japan. Through the YUASA Tankyo Shareholding Association, YUASA TRADING receives various forms of support from the group and its members, not only as business partners but also as shareholders.

▶ YUASA Yamazumi Shareholding Association

The YUASA Yamazumi Shareholding Association is a sales partner group founded in 1969, which has around 3,000 member companies. Through the East YUASA Yamazumi Shareholding Association and the West YUASA Yamazumi Shareholding Association, YUASA TRADING receives various forms of support from the group and its members, not only as business partners but also as shareholders. The group holds activities such as study sessions, seminars and site visits, tailored to current needs, and works together with YUASA TRADING to expand sales.

▶ YUASA Growing Association

The YUASA Growing Association is a sales partner group founded in 2020, with around 250 member companies throughout Japan, with a focus on “next-generation executives.” The group works together with YUASA TRADING on the cultivation of next-generation managers, through activities such as a range of training programs and events for the exchange of information among members from different industries.

■ YUASA TRADING Group Transaction Policy

1. Compliance with relevant laws and regulations, and fair, equitable transactions
2. Respect for human rights and improvement of the working environment
3. Environmental protection
4. Ensuring the quality and safety of products and services
5. Preventing the leaking of confidential information, realizing effective data management, and protecting intellectual property rights
6. Relationship with the local community and with the international community
7. Internal reporting system
8. Business continuity strategy
9. Regular confirmation and information management

/ TSUNAGU – Connecting to the Future

Business Activities for Service with Good Products

Relationship with business partners

▶ Activity content (holding of the annual meeting, and implementation of training activities)

Annual meeting of the headquarters of the YUASA TANKYOKAI

The annual meeting of the headquarters of the YUASA TANKYOKAI, a group composed of suppliers, is held in May each year. Besides reports on YUASA TRADING’s performance and explanations of its policies, there are also lectures given by external experts on topics of current importance.



YUASA Growing Association

The YUASA Growing Association holds training events in eight locations throughout Japan.



▶ Publication of the “Machinery and Housing” in-house magazine

“Machinery and Housing” is an in-house magazine, of which the target readership is the managers of YUASA Yamazumi Shareholding Association and YUASA TANKYOKAI member companies. Contents include special reports on topics of current interest, as well as original information provided by YUASA TRADING which it is felt will be useful for these companies’ businesses.

The first issue of “Machinery and Housing” was published in 1969, with the aim of disseminating information to members of the YUASA Yamazumi Shareholding Association. The magazine is now published on a quarterly basis; the most recent issue, Volume 44 (No. 350), was published in May 2022. Henceforth, we will continue to disseminate information to our business partners and to strengthen our network of sales partners and suppliers.

■ The front cover design from the early days of publication, and the current front cover design



The front cover design from the early days of publication



The current front cover design



Page presenting information about subsidies and grants

The magazine includes special reports on topics related to current market needs.

▶ Exhibitions with business partners

■ “TSUNAGU” Grand Fair

The Grand Fair is an exhibition that is organized by the YUASA Yamazumi Shareholding Association (YUASA TRADING’s sales partner group) and co-sponsored by the YUASA TANKYOKAI (YUASA TRADING’s supplier group), with support from YUASA TRADING. It was held for the first time in 1978. Although the nationwide events have been put on hold for a few years in order to help combat the COVID-19 pandemic, regional events have continued to be held every year in five regions: Kanto, Kansai, Chubu, Tohoku and Kyushu.

At the Grand Fair, we showcase the latest products, technologies and information, with a focus on practical demonstrations of actual products. We also propose products that can help to solve social issues by making effective use of integrated capabilities.

Information about visitors to the Grand Fair is converted into digital data, which helps us to strengthen post-show follow-up service.



■ Resilience & Security Fair

In December 2021, we held the “Kita-Kanto and Shin’etsu Resilience & Security ESG Fair,” an exhibition focused on resilience and security, and on environmental measures, in collaboration with the Kita-Kanto YUASA Yamazumi Association, the Nagano YUASA Yamazumi Association, and the Niigata YUASA Yamazumi Association, which are all our sales partner groups.



/ TSUNAGU – Connecting to the Future

Business Activities for Service with Good Products Contribution activities through our business

By effectively utilizing the Group’s combined capabilities and our network of business partners, we are contributing toward solving a wide range of social issues.

▶ “TSUNAGU” value creation

The YUASA TRADING Group is taking on the challenge of realizing “TSUNAGU” value creation to help solve social issues in various fields, including manufacturing, home building, environment building and town building. An example of these initiatives is outlined below.



Processing environment solutions “Bub Power”
(see [P.40](#))
We have developed a system that realizes optimization of equipment and tools by giving processing fluids and cleaning agents a longer lifespan, and by improving processing conditions and efficiency.



“Robo Combo”
Developed jointly with the YUASA TRADING Group companies, our “Robo Combo” automation system makes it possible to implement automation easily in the locations (or processes) where it is wanted at a reasonable price.



“Rewritable Laser System”
We have developed an original printing device for printing reusable shipping cartons, for use in laser printer + system integrator applications.
This device uses laser light to print and remove shipping information text and barcodes from reusable shipping cartons such as plastic containers using a non-contact method.

Labor-saving in manufacturing sites

Disaster prevention and mitigation



“YACHIBEI®” (see [P.35](#))
Developed by YUASA TRADING in collaboration with a supplier and a sales partner, YACHIBEI® allows dangerous concrete walls to be replaced with aluminum fencing, which can be used safely and with peace of mind.



“TSUNAGU BCP Package”
We have developed the new “TSUNAGU BCP Package” water expulsion system as a countermeasure for unexpected rainstorms, which have become increasingly frequent in recent years in Japan.
By providing a comprehensive package that includes everything from water level detection through to generator activation and automated water expulsion, we can protect precious lives, facilities and equipment from flood damage resulting from increasingly frequent typhoons and unexpected rainstorms.

Making construction inspection operations more efficient



“ITENE”
ITENE was developed through collaboration with an apartment building management company and a system vendor.
It provides a reservation management system for multi-unit housing.

Healthcare support for developing nations



Remote ICU prefabricated hospital building installation business (see [P.29](#))
The YUASA TRADING Group provides a total solution that includes hospital building design and prefabricated building construction, as well as assembly of machinery such as air conditioning equipment.

Enhancing the efficiency of logistics facilities



“Yuasa LDX Team Project”
Working together with six other companies, we established a joint project team, which has delivered a solution for optimizing every aspect of logistics.

/ TSUNAGU - Connecting to the Future

Business Activities for Service with Good Products

Contribution activities through our business

▶ Processing environment solution - "Bub Power"

What is a processing environment solution?

While the machinery and tools used in processing procedures in manufacturing are constantly evolving, it is difficult to improve the overall processing environment through the adoption of individual technologies, and this has become an obstacle to enhancing productivity. YUASA TRADING, which is able to link together a wide range of technologies, has developed a system that realizes optimization of equipment and tools by giving processing fluids and cleaning agents a longer lifespan, and by improving processing conditions and efficiency. Taking "Bub Power," an original YUASA TRADING microfine bubble product, as the starting point, we coordinated the development of a total solution by integrating this product with high-performance filtering, utilization of sensing technology to visualize effectiveness, and artificial intelligence (AI) based analysis.

What is "Bub Power"?

"Bub Power" is a device for generating microfine bubbles (MFBs) for use with machinery that utilizes water-soluble coolant (cutting fluid). The device uses the cavitation method; when cutting fluid passes through the interior of the MFB generating device at a specified water pressure, this causes a rotational flow, and approximately 2% of the oxygen contained in the fluid is transformed into MFBs. Generating MFBs without using external air prevents oxidation of the fluid. The sterilizing function provided by the active oxygen generated when the MFBs dissipate helps to prevent degradation of the coolant. One cc of coolant contains around 140 million MFBs with an average diameter of 100 nm (one nm is one billionth of a meter). When machining or cleaning components, the presence of bubbles in gaps reduces the resistance at the contact surface, so this product is expected to be effective in increasing tool lifespan and raising cutting speed.

■ YUASA TRADING wins the "Monozukuri Award" at the 64th "10 Best New Products Awards"

YUASA TRADING does business with large numbers of manufacturing companies, and our familiarity with manufacturing facilities has enabled us to make useful discoveries. The result of one such discovery, "Bub Power," won the "Monozukuri Award" at the 64th "10 Best New Products Awards" organized by The Nikkan Kogyo Shimbun, Ltd. Henceforth, we will continue working to enhance the productivity and competitiveness of Japan's manufacturing sector.

この一滴が、ニッポン製造業変革の呼び水になる。

SMK

マイクロファインバブル

高性能ろ過

AI (解析・診断)

測定

センシング (検知・監視)

加工液洗浄機

高性能ツール

高品質なモノづくりを実現するためのソリューション

2021年(第64回)日刊工業新聞 十大新製品賞 モノづくり賞 受賞

マイクロファインバブル バブパワー

YUASA 株式会社

〒101-8560 東京都千代田区千代田1-1-1

http://www.yuasa.co.jp/



"Bub Power" UFB



Introduction to processing environment solutions



/ TSUNAGU – Connecting to the Future

Management that Respects Humanity Initiatives to increase employee work satisfaction

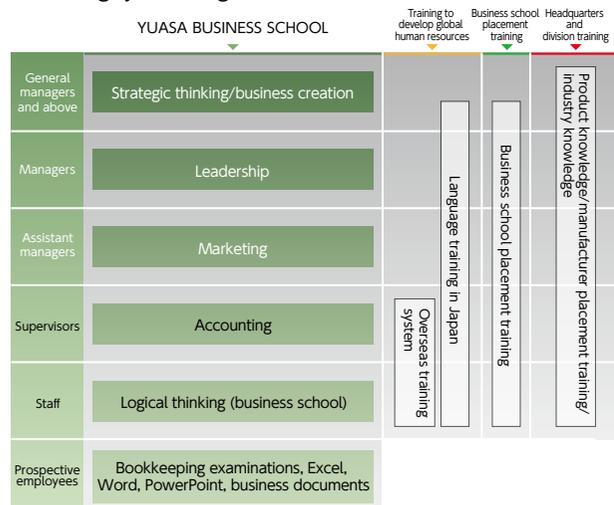
The YUASA TRADING Group promotes the reform of corporate culture based on the keywords of “Challenge Spirit,” “Total Coordination Skills,” and “Communication” in order to maintain sustainable growth. So that each and every employee is able to achieve work satisfaction and growth, we make sure that we share the gains related to the results of activities to respond to the contributions of our employees.

▶ Training system

We provide regular joint training according to the skills required for each level.

- **Joint training based on level**
(Training contents)
Logical thinking, sales capabilities, accounting, marketing, strategy construction, etc.
- **Next generation management human resource training**
- **Off-site training for business school**
- **Language training**
To strengthen the language skills of employees and develop global human resources, we offer employees private lessons with English conversation teachers and individual distance learning.
- **Overseas training system**

■ Training system diagram



▶ Challenge evaluation system

We have implemented a system of evaluations for various challenges in order to foster a corporate culture of taking on challenges.

Challenge points

A system that adds points based on HR evaluation for new initiatives that aim to expand profits, reduce costs, and produce unprecedented schemes, systems, and functions.

Challenge career system

In order to foster a culture of taking on challenges in new areas, this system allows employees select their careers.

- **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

■ Comments from employees who used the internal recruitment system

- I feel it is very rewarding that I can increase the value added in the work of my own department taking advantage of work experience from other departments.
- I felt that being involved in work with a fresh perspective and viewpoint will be essential in the future.

New business proposal system

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

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

■ Number of proposals in the new business proposal system

FY2018	50
FY2019	60
FY2020	70
FY2021	51

■ Commercialization of most outstanding proposal from April 2022!

FY2021 New Business Proposal Grand Prize



“Kariuru Net,” an online rental business for industry and daily life

● “Kariuru Net” Overview

YUASA TRADING partnered with a rental company to create an e-commerce rental business for other industries. It is possible to rent using electronic payments, just like shopping online.

■ Comment from staff member in charge of commercialization

We formed a project team with each section leader and succeeded in commercialization of the business by working together as a team to repeat the cycle of sharing, analysis, review, and action.

/ TSUNAGU – Connecting to the Future

Management that Respects Humanity

Initiatives to increase employee work satisfaction

▶ Displaying an open corporate culture

In order to bring out our collective strength, we have established “points for contributions from other departments” for adding points in HR evaluations, as a system to further stimulate cross-departmental communication and enable each employee to demonstrate their individual knowledge and experience.

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 contributions.

● Mastery points

Points are added for internally announcing (registering) areas of expertise

● Incentive points

Points are added for cross-departmental contributions

● Success points

Points are added for success based on cross-departmental cooperation

■ Incentive points results

April 2021 – March 2022

Incentive points applicants: Total of 768 persons

■ Introduction of Group incentive points and Group success points systems

To upgrade the collective strength of the Group, we introduced the incentive points and success points systems at all Group companies in October 2022.

▶ Stimulating internal communication

In order to revitalize our organization and foster an open corporate culture, we promote information sharing among employees and we are using IT tools to strengthen communication and streamline operations.

Round table meetings with the President

The President attends these meetings himself to communicate directly with employees, including those from the Group companies, and discuss the direction the Group should aim to take face-to-face.

There have been some lively exchanges of views, with comments from employees leading to actual reform of company systems.



A round table meeting with the President at the Group company, TAKACHIHO CORP.

Group newsletter “Yamazumi”

The Group publishes “Yamazumi,” the Group newsletter, four times a year. It is used as a form of internal communication and has a wide range of content, including messages from top management as well as introductions to the Group’s business and officers.



“Yamazumi,” the Group newsletter

Operational improvements using “AI chatbot”

With the aim of promoting workstyle reform, we have introduced the “AI chatbot” communication tool to reduce the workload for both making and responding to day-to-day routine inquiries. It is used as a tool that can allow the content of inquiries to be easily confirmed using chat even outside of business hours or when the contact person is not available.

Group employee only website Growing Strategy Division website

The Growing Strategy Division, which is the central organization in promoting the YUASA TRADING’s growth strategy, has established a website for employees only to share information about growth strategy business across the Group. The site is used internally and allows the latest information to be checked at any time.

TSUNAGU – Connecting to the Future

Management that Respects Humanity Initiatives to improve the ease of employee work

The YUASA TRADING Group has respect for the individuality and rights of employees and practices diversity management. Based on an organization and rules that are founded on a spirit of mutual trust and cooperation, we focus on creating a workplace environment that enables the pursuit and practice of entrepreneurship and innovative ideas.

▶ Aiming to promote diversity

Based on a spirit of “regard for the individual,” we have 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, and implementing diversity management throughout the Group.

YUASA TRADING Group Diversity Policy

1. Establishment of base environment
2. Hiring and promotion of diverse human resources
3. Expansion of female managers and career diversification
4. Work facilitation for employees with disabilities
5. Active participation by middle-aged and older employees
6. Support for balancing parenting and work
7. Support for balancing nursing care and work



Diversity Policy

■ Trends

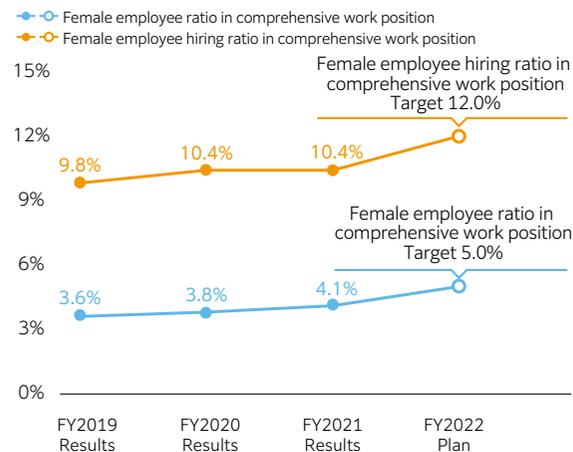
	FY2019	FY2020	FY2021
Rate of female employees*1	40.1%	40.3%	40.0%
Number of employees with disabilities*2	15	16	19
Rate of female managers*3	1.2%	1.2%	1.5%

*1 Non-consolidated

*2 Number of employees with disabilities is directly employed, non-consolidated

*3 Rate of female managers is directly employed, non-consolidated, including contract and temporary employees

■ KPI for Medium-term Management Plan “Growing Together 2023”



Diversity training

In order to address promotion of diversity and women’s empowerment as an organization, we held training by outside instructors for general managers to learn about management that supports active participation by subordinates regardless of gender and approaches to supporting career development.

■ FY2021 program



Number of general managers who participated: Total of 19 persons

Career track transfer system

In order to promote women’s empowerment, we have implemented a system for employees to transfer their career track from general office work positions to comprehensive work positions.

■ Trend (non-consolidated)

	(persons)		
	March 2021	March 2022	March 2023 Plan
Special service positions (in transfer trial period)	4	3	7
Comprehensive work position transfers	0	1	2

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

Acquired Kurumin certification

As a company that supports childcare, YUASA TRADING received certification from the Minister of Health, Labour and Welfare (Kurumin certification) from 2019.

We will continue to take initiatives for all employees to be able to balance a fulfilling work and home life so that they can execute their abilities by constructing a workplace environment in which employees can work with a sense of ease.



■ Initiatives to support raising the next generation (non-consolidated, directly employed)

	(persons)			
	Employees who have taken childcare leave	Male employees who have taken childcare leave	Employees working shortened hours	Female employees balancing work and raising of children
FY2020	Total of 100	2	31	69
FY2021	Total of 117	2	35	81

TSUNAGU – Connecting to the Future

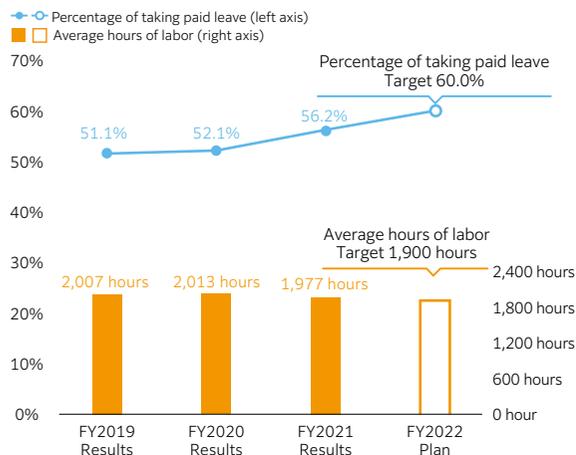
Management that Respects Humanity Initiatives to improve the ease of employee work

▶ In health and productivity management

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.

■ Average hours of labor / Percentage of taking paid leave (non-consolidated)

	Average hours of labor	Percentage of taking paid leave
FY2021 Results	1,977 hours	56.2%



Realize productivity improvements and promote workstyle reforms

- Reducing average hours of labor
- Trends in hours spent in office by non-management employees

■ Average time of arrival / Departure (non-consolidated)

	FY2019	FY2020	FY2021
Average time of arrival	8:25	8:26	8:26
Average time of departure	18:34	18:25	18:29
Average time spent in office	9:08	8:58	9:02

Recognized as the “2022 Certified Health & Productivity Management Outstanding Organization”

Continuing from last year, YUASA TRADING was recognized for the fourth 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 (FY2021)

Regular health checkup rate	100%
Rate of registration on health and productivity management app	95.4%
Stress check rate	100%

Health and productivity management app —health points program

The Group employees who join the YUASA Health Insurance Association can use the health and productivity management app.

Employees accumulate points through daily health and productivity management, and accumulated points can be exchanged for the products they want.

■ Actions for which points are granted

- Reaching 6,000 steps a day
- Recording weight
- Having a health checkup
- Not smoking for at least a year
- Lifestyle habit challenges, etc.

■ Walking event

Held: May 2021 (5th time)
Participants: 82 teams (502 persons)



▶ Respect for human rights

Human rights policy

Respect for human rights is one of the important elements in the Group’s business activities. Based on the Sustainability Declaration we announced in October 2021, we formulated the YUASA TRADING Group Human Rights Policy.

All officers and employees of the Group companies practice the human rights policy throughout our business activities. We also require our business partners, including suppliers, to respect and not violate human rights.

YUASA TRADING Group Human Rights Policy

1. Implementation of human rights due diligence
2. Remedial action
3. Education
4. Disclosure of information
5. Dialogue with stakeholders
6. Promotion system



Human Rights Policy

■ Ethics and Compliance Handbook

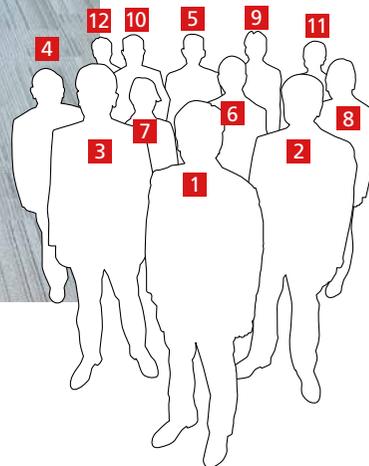
We distribute the handbook to all employees.



YUASA Labor Union

YUASA TRADING and the YUASA Labor Union stand on an equal footing with each other and have entered into a labor agreement based on impartial understanding and trust. The aim is to promote sound corporate development and improvement of the working conditions and environment of employees.

List of Officers (as of October 1, 2022)



1 Hiroyuki Tamura

Representative Director, President & CEO
In charge of Overseas Business Development

Apr. 1982	Joined the Company
Apr. 1997	Managing Director of YUASA MECHATRONICS (M) SDN. BHD.
Mar. 2000	President of YUASA WARWICK MACHINERY LTD.
Oct. 2002	Managing Director of YUASA SHOJI EUROPE B.V.
Apr. 2007	General Manager of Factory Solution Division of the Company
Apr. 2009	Executive Officer, General Manager of Factory Solution Division of the Company
Jun. 2010	Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Jun. 2013	Managing Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Apr. 2014	Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company
Apr. 2016	Senior Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company
Apr. 2017	Representative Director, President & CEO of the Company
Apr. 2021	Representative Director, President & CEO and in charge of Overseas Business Development of the Company (incumbent)

Reason for election

Mr. Hiroyuki Tamura has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Industrial Market Headquarters and also has abundant experience and achievements in overseas business as a representative of some of the Company's overseas subsidiaries and a Director in charge of Overseas Business Development. Moreover, having demonstrated outstanding management skills since taking the position of Representative Director, President & COO of the Company in April 2017, the Company decided it would be appropriate to have him contributing to the growth of the Company and the Group going forward.

2 Haruo Sanoki

Representative Director, Senior Managing Director
Supervisory Manager of Management Administration

Apr. 1978	Joined the Company
Apr. 2007	Vice Assistant General Manager of Machinery Engineering Division of the Company
Apr. 2011	Executive Officer, General Manager of Machinery Engineering Division of the Company
Jun. 2013	Director, Executive Officer, General Manager of Machinery Engineering Division of the Company
Apr. 2015	Director, Executive Officer, Vice Supervisory Manager of Management Administration, General Manager of General Affairs Department of the Company
Apr. 2017	Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company
Apr. 2018	Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company
Jun. 2019	Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company (incumbent)

Reason for election

Mr. Haruo Sanoki has full knowledge of the machine tools area due to his being a Director, Executive Officer, General Manager of the Machinery Engineering Division and having served as a Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of the Management Administration. He has worked on strengthening the management foundation and governance at both the Company and the Group and has abundant experience and achievements.

3 Kenichi Tanaka

Senior Managing Director
Supervisory Manager of Sales Division
Chief General Manager of Living Environment Market Headquarters

Apr. 1982	Joined the Company
Oct. 2007	General Manager of Plant Business Department of the Company
Apr. 2008	Vice Assistant General Manager of Building Facility Division of the Company
Apr. 2010	Executive Officer, General Manager of Building Facility Division of the Company
Apr. 2011	Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company
Jun. 2014	Director, Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company
Apr. 2017	Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company
Jun. 2017	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company
Apr. 2018	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters of the Company
Apr. 2019	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company
Jun. 2019	Senior Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company
Apr. 2020	Senior Managing Director, Executive Officer, Supervisory Manager of Sales Division and Chief General Manager of Living Environment Market Headquarters of the Company (incumbent)

Reason for election

Mr. Kenichi Tanaka has full knowledge of the housing, air and fluidic control systems area due to his serving in such capacities as Managing Director, Executive Officer, General Manager of the Living Environment Division (Eastern Area) and as Senior Managing Director, Executive Officer, Chief General Manager of the Living Environment Market Headquarters, and has abundant experience and achievements.

List of Officers (as of October 1, 2022)

4 Naomi Nakayama | Director Chief General Manager of Construction Market Headquarters

Apr. 1979 Joined the Company
Apr. 2007 Vice Assistant General Manager of Housing Division of the Company
Oct. 2009 Branch Manager of Hokkaido Branch of the Company
Apr. 2011 Executive Officer, General Manager of Living Environment Division (Western Area) of the Company
Apr. 2014 Executive Officer, Branch Manager of Tohoku Branch of the Company
Jan. 2019 Executive Officer, Chief General Manager of Construction Market Headquarters of the Company
Jun. 2019 Director, Executive Officer, Chief General Manager of Construction Market Headquarters of the Company (incumbent)

Reason for election

Mr. Naomi Nakayama has full knowledge of the building exterior and construction machines areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Construction Market Headquarters, having served as Executive Officer, Branch Manager of the Tohoku Branch, and has abundant experience and achievements.

5 Mamoru Hamayasu | Director Chief General Manager of Industrial Market Headquarters

Apr. 1984 Joined the Company
Apr. 2011 Vice Assistant General Manager of Factory Solution Division of the Company
Apr. 2012 President and General Sales Manager of YUASA TRADING (SHANGHAI) CO., LTD.
Apr. 2014 Supervisory Manager of East Asia Area of the Company, and Chairperson and President of YUASA TRADING (SHANGHAI) CO., LTD.
Apr. 2015 Executive Officer, Supervisory Manager of East Asia Area of the Company, and Chairperson and President of YUASA TRADING (SHANGHAI) CO., LTD.
Dec. 2016 Executive Officer of the Company, and Representative Director, President of YUASA TECHNICAL ENGINEERING CO., LTD. (currently YUASA NEOTECH CO., LTD.)
Apr. 2021 Executive Officer of the Company, and Representative Director, President of YUASA NEOTECH CO., LTD.
Jun. 2021 Senior Executive Officer of the Company, and Representative Director, President of YUASA NEOTECH CO., LTD.
Apr. 2022 Senior Executive Officer, Chief General Manager of Industrial Market Headquarters of the Company
Jun. 2022 Director, Executive Officer, Chief General Manager of Industrial Market Headquarters of the Company (incumbent)

Reason for election

Mr. Mamoru Hamayasu has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Executive Officer and Senior Executive Officer of the Company, including as a representative of the Company's overseas subsidiary and Representative Director, President of YUASA NEOTECH CO., LTD., a subsidiary of the Company, and has abundant experience and achievements.

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.

7 Keiko Toya | Outside Director

Jul. 1999 Managing Director of MARKETING EXCELLENCE Co. LTD. (incumbent)
Apr. 2010 Adjunct Lecturer, Business School, Professional Graduate School, Chuo University (incumbent)
Apr. 2014 Visiting Researcher, Human Informatics Research Institute, The National Institute of Advanced Industrial Science and Technology (currently Human Augmentation Research Center) (incumbent)
Apr. 2014 Professor, Graduate School of Global Business, Meiji University (incumbent)
Oct. 2014 Member of Science Council of Japan (incumbent)
Jun. 2019 Outside Director of the Company (incumbent)
Jun. 2021 Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) (incumbent)
Sep. 2021 Outside Director of QB Net Holdings Co., Ltd. (incumbent)

Reason for election

Ms. Keiko Toya has for many years advised a number of companies on corporate management as a marketing consultant, has abundant experience and knowledge through her involvement as a committee member of administrative institutions, etc., and she is currently pursuing further research activities. Due to these qualities, the Company decided that she can be expected to give direction and advice from an independent and objective viewpoint as an Outside Director.

8 Kyosuke Kimura | Outside Director

Apr. 1979 Joined Kimura Shindai Industry Co., Ltd. (currently PARAMOUNT BED CO., LTD.)
Aug. 1979 Member of the Board, Kimura Shindai Industry Co., Ltd.
Oct. 1982 Member of the Board, Kimura Kosan Co., Ltd. (currently PARAMOUNT BED HOLDINGS CO., LTD.)
Sep. 1987 Senior Managing Director, PARAMOUNT BED CO., LTD.
Apr. 1991 Senior Executive Director, PARAMOUNT BED CO., LTD.
Apr. 1997 Executive Vice President, PARAMOUNT BED CO., LTD.
Apr. 2009 President and Chief Executive Officer, PARAMOUNT BED CO., LTD.
Feb. 2011 President and Chief Executive Officer, PARAMOUNT BED HOLDINGS CO., LTD.
Apr. 2020 Chairperson, PARAMOUNT BED HOLDINGS CO., LTD. (incumbent) Chairperson, PARAMOUNT BED CO., LTD. (incumbent)
Jun. 2021 Outside Director of the Company (incumbent)

Reason for election

Mr. Kyosuke Kimura has been engaged in the management of PARAMOUNT BED HOLDINGS CO., LTD. and PARAMOUNT BED CO., LTD. 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.

9 Yoshiyuki Furumoto | Audit & Supervisory Board Member

Apr. 1982 Joined the Company
Jun. 2011 General Manager of Credit Department of the Company
Jun. 2016 Executive Officer and General Manager of Credit Department of the Company
Apr. 2018 Executive Officer and Special Assistant to the President & CEO of the Company
Jun. 2018 Full-time Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

Mr. Yoshiyuki Furumoto has many years of experience related to management administration as the Company's General Manager of Credit Department and a solid track record as a Full-time Audit & Supervisory Board Member of the Company. The Company has decided that he possesses sufficient knowledge of finance and accounting matters.

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 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.

11 Susumu Tsuruta | Outside Audit & Supervisory Board Member

Apr. 1986 Registered as an attorney at law (Daini Tokyo Bar Association) Joined Tsuchiya and Takaya Law Office (currently, Tsuchiya Law Office)
Apr. 1990 Established Murakami and Tsuruta Law Office
Jan. 2005 Partner at Tsuchiya Law Office (incumbent)
Jun. 2011 Outside Audit & Supervisory Board Member of the Company (incumbent)

Reason for election

Mr. Susumu Tsuruta is expected to strengthen the auditing structure of the Company by utilizing his expert knowledge and experience as a lawyer.

12 Mitsuhiro Honda | Outside Audit & Supervisory Board Member

Apr. 1984 Joined the National Tax Agency
Jul. 2010 General Manager, General Affairs Department, Takamatsu Tax Bureau
Jul. 2012 Professor, University of Tsukuba Graduate School of Business Sciences (incumbent)
May 2013 International Tax Advisor, TOMA Consultants Group Co., Ltd. (incumbent)
Apr. 2014 Part-time Instructor, Waseda University Graduate School (retired in March 2021)
Mar. 2016 Outside Audit & Supervisory Board Member, Roland DG (incumbent)
Apr. 2016 Professor, Graduate School of Global Business, Meiji University and Lecturer (retired in March 2022)

Apr. 2017 Research Grant Selection Committee Member, The Institute of Tax Research and Literature (incumbent)

Aug. 2017 Member of the United Nations Committee of Experts on International Cooperation in Tax Matters (retired in June 2021)

Jun. 2018 Outside Audit & Supervisory Board Member of the Company (incumbent)
Sep. 2021 Outside Director of YOKOREI Co., Ltd. (incumbent)

Reason for election

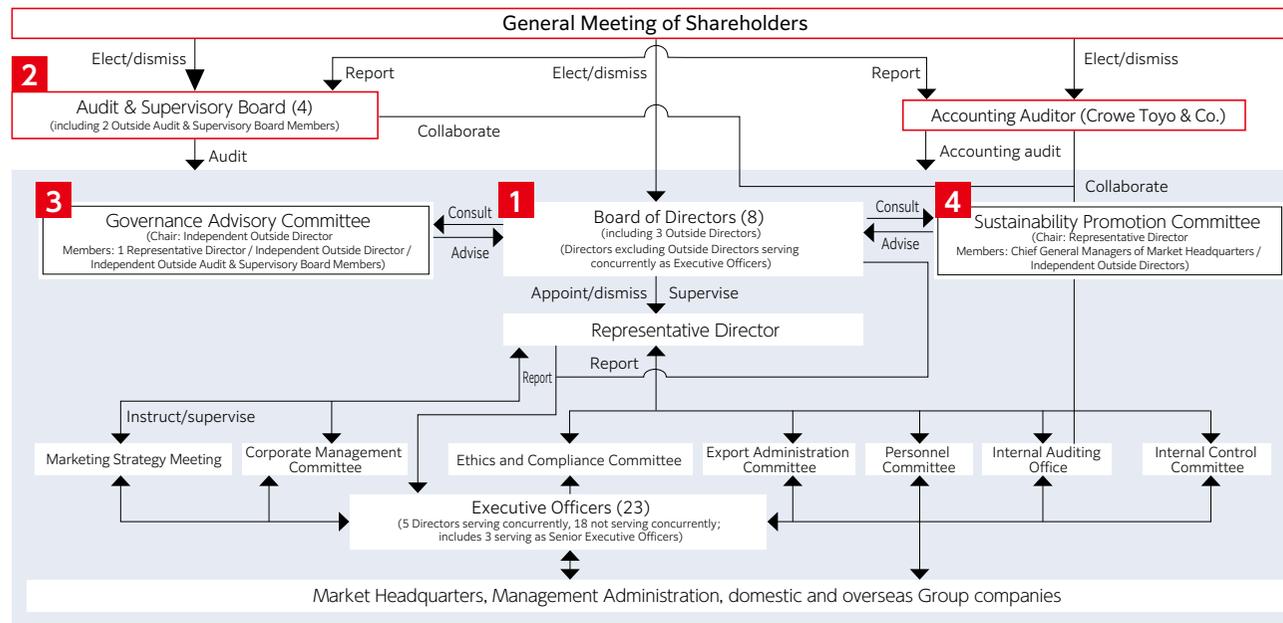
Mr. Mitsuhiro Honda has expert knowledge of tax matters due to his many years working for the National Tax Agency and as a university professor, and has experience as an Outside Audit & Supervisory Board Member of Roland DG and an Outside Director of YOKOREI Co., Ltd. The Company has decided that he possesses considerable knowledge of tax and accounting matters.

Basic Approach to Corporate Governance

As a social entity, YUASA TRADING 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 Group is a large conglomerate comprised of 39 affiliated companies, including 32 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.

Corporate governance system (as of October 1, 2022)



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 three 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.

1 Board of Directors

Chaired by Hiroyuki Tamura, Representative Director and President, the Board of Directors is the body making decisions related to important business execution and monitoring business execution of Directors. The company holds the Board of Directors meetings once a month, in principle, as well as other extraordinary meetings as necessary. In order to further strengthen corporate governance and ensure management transparency, the company designated three Outside Directors and two Outside Audit & Supervisory Board Members as Independent Officers. In addition, the four Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) attend the Board of Directors meetings, where they express their opinions as appropriate and survey the execution of their roles as Directors.

Attendance to the Board of Directors meetings for FY2021

100%

Attendance to the Board of Directors meetings*1

(as of October 1, 2022)

Directors	FY2021		FY2022		Audit & Supervisory Board Members	FY2021		FY2022	
	Attended	Total	Attended	Total		Attended	Total	Attended	Total
Hiroyuki Tamura	15/15	8/8	Full-time	Yoshiyuki Furumoto	15/15	8/8			
Haruo Sanoki	15/15	8/8	Full-time	Takeshi Maeda	—	4/4 ³			
Kenichi Tanaka	15/15	8/8	Outside/Independent	Susumu Tsuruta	15/15	8/8			
Naomi Nakayama	15/15	8/8	Outside/Independent	Mitsuhiro Honda	15/15	8/8			
Mamoru Hamayasu	—	4/4 ³							
Outside/Independent	15/15	8/8							
Shinzo Maeda	15/15	8/8							
Outside/Independent	15/15	8/8							
Keiko Toya	15/15	8/8							
Outside/Independent	15/15 ²	8/8							
Kyosuke Kimura	15/15 ²	8/8							

*1 All Directors and Audit & Supervisory Board Members attended all Board of Directors meetings.

*2 The attendance of Director Kyosuke Kimura for FY2021 is shown for after his appointment on June 24, 2021.

*3 The attendances of Director Mamoru Hamayasu and Audit & Supervisory Board Member Takeshi Maeda for FY2022 are shown for after their appointments on June 24, 2022.

Basic Approach to Corporate Governance

2 Audit & Supervisory Board

The Audit & Supervisory Board of the company is chaired by full-time Audit & Supervisory Board Member Yoshiyuki Furumoto and is comprised of two full-time Audit & Supervisory Board Members and two part-time Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members). Based on the auditing policies and plans established in the Audit & Supervisory Board, Audit & Supervisory Board Members attend the Board of Directors meetings and other important meetings, view important decision-making documents, visit each business site, and survey subsidiaries in order to conduct audits related to execution of duties of Directors and internal controls.

Attendance at
Audit & Supervisory Board
meetings for FY2021

100%

Attendance to Audit & Supervisory Board meetings

(as of October 1, 2022)

Audit & Supervisory Board Members	FY2021	FY2022
Full-time Yoshiyuki Furumoto	9/9	4/4
Full-time Takeshi Maeda	—	4/4*
Outside/Independent Susumu Tsuruta	9/9	4/4
Outside/Independent Mitsuhiro Honda	9/9	4/4

*The attendance of Audit & Supervisory Board Member Takeshi Maeda for FY2022 is shown for after his appointment on June 24, 2022.

3 Governance Advisory Committee

The company has appointed three independent Outside Directors, and the Outside Directors make up one third of all the Directors, establishing a system by which the Directors and Board of Directors can obtain advice on important matters from independent Outside Directors as appropriate. In addition, at the meetings of the Board of Directors, each of

the independent Outside Directors actively expresses his or her opinion and provides advice as necessary based on his or her extensive experience of management, and the appropriate resolutions on important matters are approved.

The company has established the Governance Advisory Committee chaired by an independent Outside Director as an optional advisory body beneath the Board of Directors with members that mainly consist of independent officers for the purpose of strengthening governance. 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 six times in the fiscal year ended March 31, 2022 and reported to the Board of Directors on the following matters.

- Decisions on remuneration for individual Directors
- Election of eight Directors; election of one substitute Audit & Supervisory Board Member at the 143rd Ordinary General Meeting of Shareholders
- Changes to the Board of Directors deliberation standards

The following are the members of the Governance Advisory Committee.

Independent Outside Director (Committee Chairperson)	Shinzo Maeda
Independent Outside Director	Keiko Toya
Independent Outside Director	Kyosuke Kimura
Independent Outside Audit & Supervisory Board Member	Susumu Tsuruta
Independent Outside Audit & Supervisory Board Member	Mitsuhiro Honda
Representative Director, Senior Managing Director	Haruo Sanoki

In addition, Shinzo Maeda was elected as the lead independent Outside Director through a vote among the independent Outside Directors. After collecting the views of the other independent Outside Directors as necessary, the lead independent Outside Director informs the Board of Directors and the Audit & Supervisory Board of the opinions of the independent Outside Directors and discusses the response.

Independent officers, including Outside Audit & Supervisory Board Members who have been registered as independent officers with the Tokyo Stock Exchange, make up the majority of the Governance Advisory Committee members, and an independent Outside Director chairs the committee, which has established an environment for frank discussions to take place as a committee independent of management.

4 Sustainability Promotion Committee

The Board of Directors has deliberated on important matters related to ESG and sustainability. However, in October 2021, the company established the Sustainability Promotion Committee to further promote Group-wide sustainability management. The Sustainability Promotion Committee sets targets related to sustainability, monitors progress, and evaluates achievements. The committee will aim to meet twice a year and submit reports and recommendations to the Board of Directors on sustainability issues and progress.

- (1) Identification of key sustainability issues for the Group from a medium- to long-term perspective, study for resolution of issues, and design of future vision
- (2) Establishment, revision, and abolition of basic policy, rules, and procedures, etc. for the implementation of the aforementioned
- (3) Matter the Sustainability Promotion Committee deems necessary related to the Group's sustainability management
- (4) Matters for consultation from the Board of Directors

Basic Approach to Corporate Governance

The following are the members of the Sustainability Promotion Committee.

Committee Chairperson
Representative Director, Senior Managing Director
Haruo Sanoki

Members
Kenichi Tanaka
Chief General Manager, Living Environment Market Headquarters

Members, Director
Naomi Nakayama
Chief General Manager, Construction Market Headquarters

Member
Mamoru Hamayasu
Chief General Manager, Industrial Market Headquarters

Members, Independent Outside Director
Shinzo Maeda

Members, Independent Outside Director
Keiko Toya

Members, Independent Outside Director
Kiyosuke Kimura

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 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.

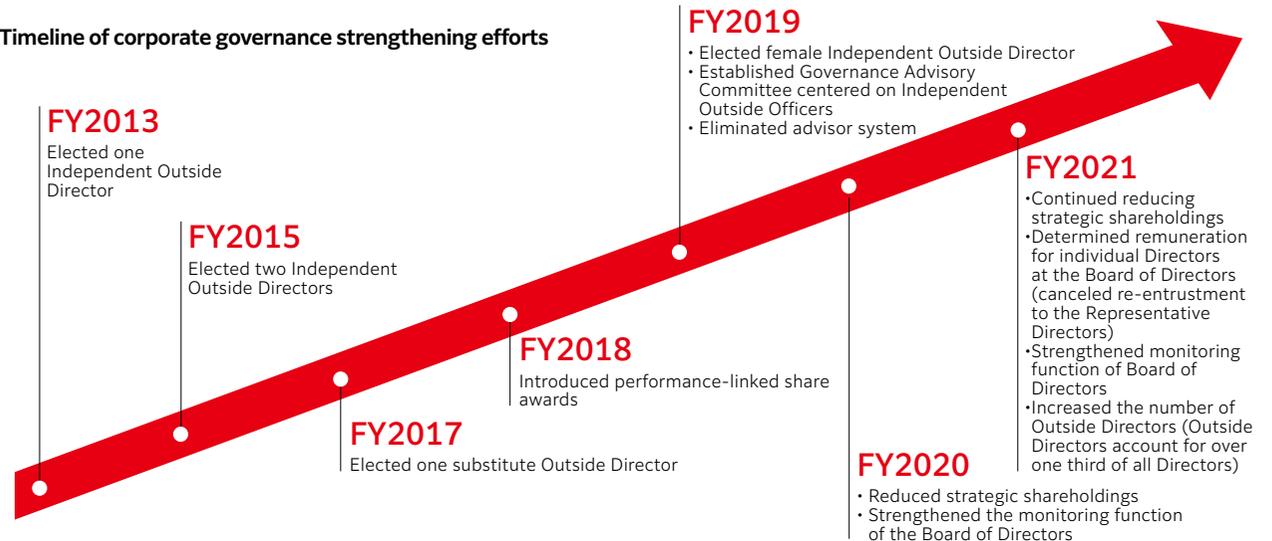
For evaluating the effectiveness of the Board of Directors for fiscal year ended March 31, 2022, all Directors and Audit & Supervisory Board Members filled out a questionnaire (self-evaluation) and discussed the results.

In addition to sharing an awareness of our current status, it is necessary to continuously improve the effectiveness of the Board of Directors through an extraction of issues. In light of the report on the findings of analysis and evaluation of the operation of the Board of Directors based on the results of the questionnaire, we review the Board of Directors deliberation standards and aim to make improvements to create more nimble Board of Directors operations.

Procedures for evaluation of effectiveness of Board of Directors (fiscal year ended March 31, 2022)



Timeline of corporate governance strengthening efforts



Strengthening efforts conducted in FY2021

(1) Reduced strategic shareholdings

Strategic shareholdings reduction standards (common to the Group companies)

- Holding limit standards
 - Net asset standards Reduce if shareholdings amount exceeds a set percentage of net assets of held company
 - Income standards Reduce if shareholdings amount exceeds a set percentage of profit of held company
- Continual holdings standards Reduce if profitability to market cap falls below a set percentage

Sales results for FY2021 (including the Group companies)

16 companies, 991,000 shares
As a result of sales, strategic shareholdings accounted for 6.83% of consolidated net assets at the end of the fiscal year ended March 31, 2022.

(2) Revised process for determining remuneration for Directors

In order to further increase the fairness and objectiveness and to ensure the transparency of the process for determining remuneration for Directors, it was decided that the Board of Directors will determine remuneration, etc. for individual Directors. With regards to remuneration relating to the fiscal year ended March 31, 2022, the remuneration for individual Directors was determined at the meeting of the Board of Directors held on June 24, 2021 based on the report and recommendation from the Governance Advisory Committee.

(3) Strengthened the monitoring function of the Board of Directors

Receiving the report of the Governance Advisory Committee, we continued to review the Board of Directors deliberation standards and strengthened the monitoring function of the Board of Directors.

Skill Matrix

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						
Haruo Sanoki	Representative Director, Senior Managing Director Supervisory Manager of Management Administration						
Kenichi Tanaka	Senior Managing Director Supervisory Manager of Sales Division Chief General Manager of Living Environment Market Headquarters						
Naomi Nakayama	Director Chief General Manager of Construction Market Headquarters						
Mamoru Hamayasu	Director Chief General Manager of Industrial Market Headquarters						
Shinzo Maeda	Outside Director						
Keiko Toya	Outside Director						
Kyosuke Kimura	Outside Director						

*The above table lists up to four fields in which Director's expertise is particularly expected, based on the past experience of each candidate for Director. It is not an exhaustive list of all the expertise and experience the Director possesses.

► 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.

► Qualifications and criteria for determining the independence of Independent Outside Directors

With the objective of increasing objectivity in management decision-making and further improving the soundness and transparency of management, when appointing Outside Directors, in addition to the requirements under the Companies Act, the company uses the factors for determining (independence criteria) when there is a risk of conflict of interest with general shareholders in the Guidelines Concerning Listing Control, etc. of the Tokyo Stock Exchange as the criteria for determining the independence of Independent Outside Directors. Furthermore, when selecting candidates for Independent Outside Directors, the criteria for selection is based on their ability to provide advice on management policies and improving management based on their own knowledge, from the perspective of promoting the company's sustainable growth and increasing its corporate value over the medium to long term, and to supervise management through the appointment and dismissal of senior management and other important decisions of the Board of Directors.

► Reasons for the election or nomination of individual candidates for Director

The reasons for the election of all the Directors and Audit & Supervisory Board Members are described in the reference documents for the General Meeting of Shareholders.

In addition, the areas of expertise that the company particularly expects the candidates for Directors to have are listed in the form of a skill matrix. In appointing Outside Directors and Outside Audit & Supervisory Board Members, the scale of transactions between the company, the Group companies, and the companies where the candidates hold concurrent positions is listed to provide shareholders with information on the determination of independence.

Remuneration for Directors and Other Officers

■ Total amount of remuneration, total amount of remuneration by type, and number of recipient directors and other officers (fiscal year ended March 31, 2022)

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	283	167	69	46	8
Audit & Supervisory Board Members	50	50	-	-	2
Outside Directors	35	35	-	-	3
Outside Audit & Supervisory Board Members	19	19	-	-	2
Total	388	271	69	46	15

(Note) 1. The limits of remuneration for Directors and Audit & Supervisory Members are set as below based on a resolution of the 139th Ordinary General Meeting of Shareholders held on June 22, 2018.

In addition, the portion of this remuneration that is for the Outside Directors is set as shown in parentheses based on a resolution of the 142nd Ordinary General Meeting of Shareholders held on June 24, 2021.

(1) Directors

A maximum of ¥380 million per year (of which not more than ¥50 million is for Outside Directors). Separately, a maximum amount of money funding for the performance-linked share awards system in the applicable period comprising three fiscal years is a total of ¥540 million. However, the total for the system is a maximum of ¥360 million for the two fiscal years of FY2019 and FY2020. Further, the company abolished the remuneration of share acquisition rights as it implemented the performance-linked share awards system. As of the conclusion of the 139th Ordinary General Meeting of Shareholders, the number of Directors is 10, and as of the conclusion of the 142nd Ordinary General Meeting of Shareholders, the number of Outside Directors is three.

(2) Audit & Supervisory Board Members

A maximum of ¥80 million per year. The company has abolished the remuneration of share acquisition rights. As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members is four (two of whom are Outside Audit & Supervisory Board Members).

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

3. The remuneration sum for Directors (excluding Outside Directors) does not include the ¥36 million (including bonuses) in employee wages for Directors who serve concurrently as employees.

4. 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

Performance-linked remuneration is comprised of bonuses and performance-linked share awards.

- Bonuses are monetary remuneration that fluctuate in amount based on consolidated results and individual results of the previous fiscal year.
- Performance-linked share awards are comprised of a "fixed portion" that provides points for each fiscal year and a "performance-linked portion" that provides points based on the achievement level of performance targets at the final fiscal year of the Medium-term Management Plan. This remuneration is paid upon retirement (one point = one share). Further, since 50% is paid as shares of the company and 50% is used to pay income taxes, etc., the latter is paid as monetary value equivalent to the realized shares.

(2) Remuneration for Audit & Supervisory Members

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

■ Performance indicators

This remuneration system aims to provide incentives to improve medium- to long-term company results and corporate value and share interests with shareholders. The following indicators are used for evaluations in the Medium-term Management Plan "Growing Together 2023" that ends in the fiscal year ending March 31, 2023.

Evaluation indicator (standard)	Evaluation weight	Performance linked factor
Consolidated net sales* (¥545.0 billion)	1/3	0-2.0
Consolidated ordinary profit (¥16.4 billion)	1/3	0-2.0
Profit attributable to owners of parent (¥11.5 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
¥599.5 billion or more	¥21.4 billion or more	¥15.0 billion or more	2.0 (upper limit)
¥545.0 billion	¥16.4 billion	¥11.5 billion	1.0
¥490.5 billion or less	¥11.5 billion or less	¥8.1 billion or less	0 (lower limit)

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.

► Compliance system

We have established an Ethics and Compliance Committee that is under the direct control of the Representative Director and President. The chair of this committee is selected by the Representative Director and President from among the Directors. The Ethics and Compliance Committee utilizes in-house training to boost its effectiveness and monitors the

compliance status along with the Internal Auditing Office. It has formed an ethics and compliance system that spans across the YUASA TRADING Group.

► Ethics and Compliance Hotline

A permanent hotline has been established to directly report and advise with the Ethics and Compliance Committee if Directors or employees of the company violate or may have violated laws and regulations, the Articles of Incorporation, or other regulations. This system also ensures that persons who issue such reports will not receive disadvantageous treatment for this reason. With the revision of Japan’s Whistleblower Protection Act in June 2022, the company revised its internal reporting rules, limited the internal hotline for reporting and advice to the Ethics and Compliance Committee Secretariat,

the Audit & Supervisory Board Members and the YUASA labor union and the external hotline to the lawyers in charge at the advising law firm, and strengthened compliance with the obligation to protect confidentiality. At the same time, the company expanded the scope of those who are able to seek advice so that former officers and employees can also use the hotline up to one year after their resignation.

After receiving an inquiry or report, the Ethics and Compliance Committee will investigate the incident, enact measures to prevent it from occurring again, and will report important cases to the Board of Directors through the Representative Director and President.

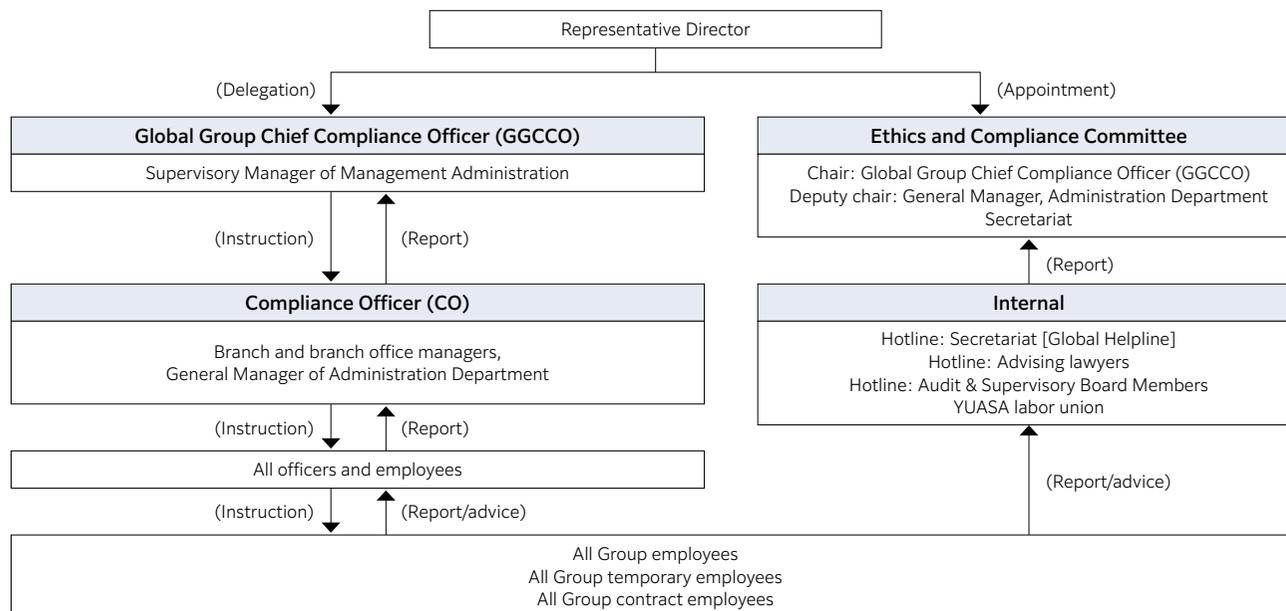
► Response against anti-social forces

The code of conduct declares the severance of any relationship with anti-social forces. Furthermore, the company is standardizing the management of information through manuals and in-house training in order to eliminate and eradicate anti-social forces. External approaches are managed in the Ethics and Compliance Committee. The company also participates in the Tokyo Metropolitan Police Organized Crime Prevention Association (Tokuboren) 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 all Group employees (implemented September – end of October 2022).

■ Ethics and compliance system



✓ Risk Management

The YUASA TRADING Group has appointed the Director in charge of the Management Administration as the Risk Management Supervisory Manager and has established a system to swiftly and appropriately transmit information and respond to emergencies for each expected risk. The Risk Management Supervisory Manager reports on the status of risk management to the Board of Directors as necessary and works to establish a business continuity management system to minimize business disruption and impact in the event that a risk materializes.

▶ Risk Management Supervisory Manager

The Risk Management Supervisory Manager presides over the Ethics and Compliance Committee, places staff depending on the category of the risk, grasps various risks in business activities of the Group based on related internal regulations/messages, proposes countermeasures, comprehensively manages risks across the Group (including raising awareness), and reports the status of risk management to the Board of Directors as needed.

▶ Export Administration Committee

In order to improve compliance related to overseas transactions and exports in particular, the Export Administration Committee established the Safe Export Management Guidelines as internal standards related to compliance of export laws and regulations. This committee is responsible for raising awareness and monitoring activities.

▶ BCP

In January 2020, the company revised the basic policy of the BCP (business continuity plan) with a focus on the establishment of a disaster management system for risks to business operations in the case of a natural disaster like earthquakes or flooding, or viruses like COVID-19 led by the Environmental and Resilience Committee. Based on this policy, the company is developing a headquarters disaster prevention plan, stockpiling evacuation supplies, constructing a payment system, implementing a system to confirm

people's safety, creating and distributing disaster prevention cards, and executing disaster prevention training.

▶ Key risks assumed

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

1. Economic fluctuation risk

Risk in the event of unforeseen changes in the economic trends in new areas and new markets such as those overseas

2. Share price fluctuation risk

Risk in the event of changes in share prices

3. Interest rate fluctuation risk

Risk in the event of changes in the interest rate for interest-bearing liabilities with variable interest rates

4. Credit risk

Risk in the event of credit extended to business partners inside and outside Japan involving credit losses

5. Exchange rate fluctuation risk

Risk in the event of changes in the exchange rate in import and export transactions

6. Compliance risk

Risk in the event of major changes in or application of unexpected interpretations of relevant laws and regulations, including laws and regulations related to business activities

7. Risk related to information systems and information security

Risks such as leaks of confidential corporate information or personal information due to unexpected unauthorized external access or invasion by a computer virus, as well as non-operation of information systems due to damage to system equipment or issues with communication lines from a natural disaster or an accident

8. Product liability risk

Risk in the event of product defects that lead to a large-scale recall or product liability compensation

9. Country risk

Risk that it will be difficult to collect receivables or investments and loans due to policy changes or changes in the political and economic environment of counterparty countries overseas

10. Natural disaster risk, etc.

Risk of shutdown of business site functions, damage to equipment, and interruptions in the supply of power and other services in the event of a natural disaster, such as an earthquake or large-scale flooding, or an unexpected outbreak of an infectious disease, such as a new virus

11. Climate change risk

Risk of stronger legal regulations and regulations on provision of products associated with climate change

Non-financial Data

Environment

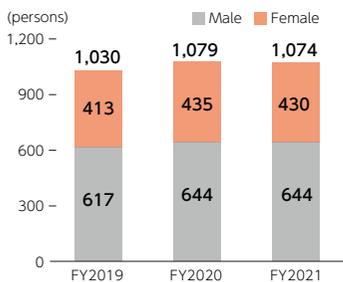
	Unit	FY2019	FY2020	FY2021
CO ₂ emissions (Scope 1 & 2)	t-CO ₂	–	2,688	2,892
Volume of power used	kWh	–	3,313,684	3,672,929

Society

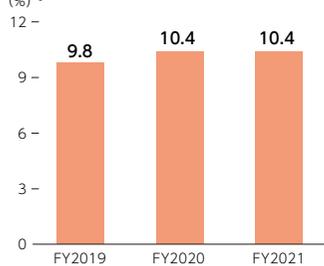
	Unit	FY2019	FY2020	FY2021
Number of employees	persons	1,030 (2,242)	1,079 (2,487)	1,074 (2,489)
(Male)	persons	617	644	644
(Female)	persons	413	435	430
Number of employees in comprehensive work position (directly employed, non-consolidated)	persons	749	781	786
Percentage of female employees in comprehensive work position (directly employed, non-consolidated)	%	3.6	3.8	4.1
New graduate employees (directly employed, non-consolidated)	persons	80	75	59
New graduate employees in comprehensive work position (directly employed, non-consolidated)	persons	41	48	48
Percentage of female new graduate employees in comprehensive work position (directly employed, non-consolidated)	%	9.8	10.4	10.4
New graduate general employees (directly employed, non-consolidated)	persons	39	27	10
Percentage of permanent employees who are mid-career recruits (directly employed, non-consolidated)	%	28.3	28.3	28.4
Number of employees with disabilities (directly employed, non-consolidated)	persons	15	16	19
Percentage of female management employees (directly employed, non-consolidated)	%	1.2	1.2	1.5
Average age	years old	38.2	38.0	38.4
(Male)	years old	39.8	39.3	39.4
(Female)	years old	35.8	36.0	37.0

* YUASA TRADING CO., LTD. non-consolidated (figures in brackets show YUASA TRADING Group total)

Number of employees



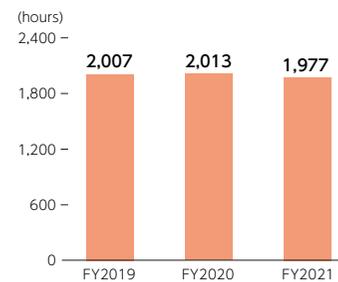
Percentage of female new graduate employees in comprehensive work position (directly employed, non-consolidated)



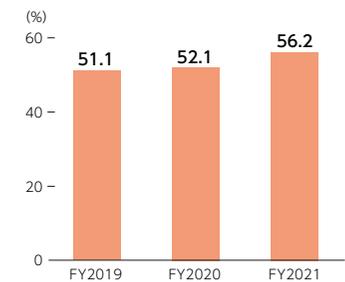
Percentage of permanent employees who are mid-career recruits (directly employed, non-consolidated)



Average hours of labor (fiscal year average for non-management employees)



Percentage of taking paid leave (including contract and temporary employees)



	Unit	FY2019	FY2020	FY2021
Average annual income	thousands of yen	7,892	7,339	7,387
(Male)	thousands of yen	9,351	8,883	8,880
(Female)	thousands of yen	5,272	4,977	5,041
Percentage of annual average income received by women	No wage differential between men and women for employees with the same attributes (age, position, evaluation, etc.)			
Average length of service	years	12.7	12.3	12.8
(Male)	years	13.9	13.4	13.5
(Female)	years	10.8	10.8	11.8
Childcare leave (persons who commenced childcare leaving during the fiscal year, directly employed, non-consolidated)	persons	3	2	2
Percentage of return to work after childcare leave (persons who finished childcare leave during the fiscal year, directly employed, non-consolidated)	%	100	90	100
Employees with reduced working hours (persons registered for reduced working hours as of March 31, directly employed, non-consolidated)	persons	28	31	35
Average hours of labor (fiscal year average for non-management employees)	hours	2,007	2,013	1,977
Percentage of taking paid leave (including contract and temporary employees)	%	51.1	52.1	56.2
Average time of arrival (fiscal year average for non-management employees)	hours	8:25	8:26	8:26
Average time of departure (fiscal year average for non-management employees)	hours	18:34	18:25	18:29
Average time spent in office (excluding breaks)	hours	9:08	8:58	9:02
Percentage of health checkups	%	100	100	100
Percentage of stress checks	%	100	100	100

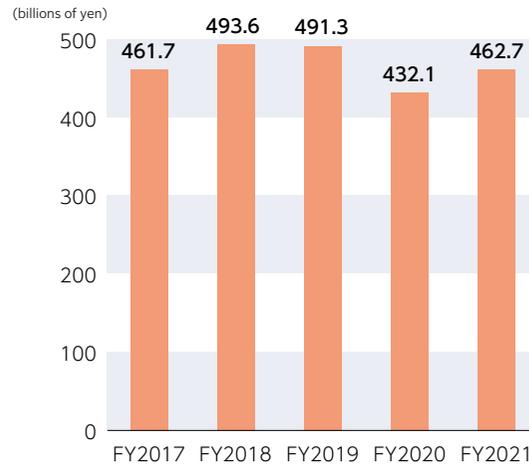
Governance

	Unit	FY2019	FY2020	FY2021
Number of Directors (including Outside Directors)	persons	10	10	8
(Male)	persons	9	9	7
(Female)	persons	1	1	1
Percentage of female Directors (including Outside Directors)	%	10.0	10.0	12.5

Key Financial Data

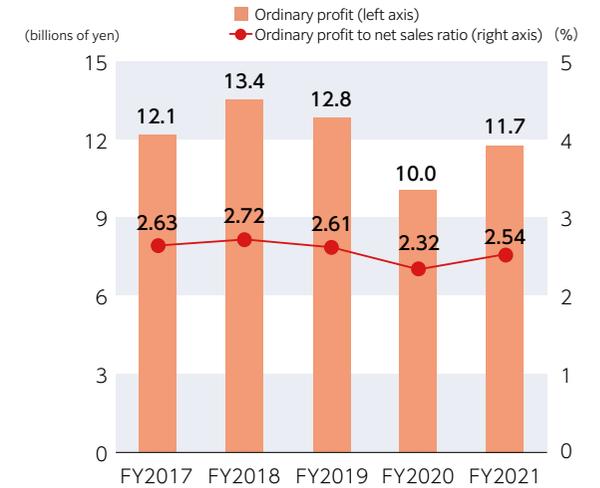
**Financial highlights
(consolidated)**

Net sales*



*Net sales for FY2021 shows figure after the application of the Revenue Recognition Accounting Standard.

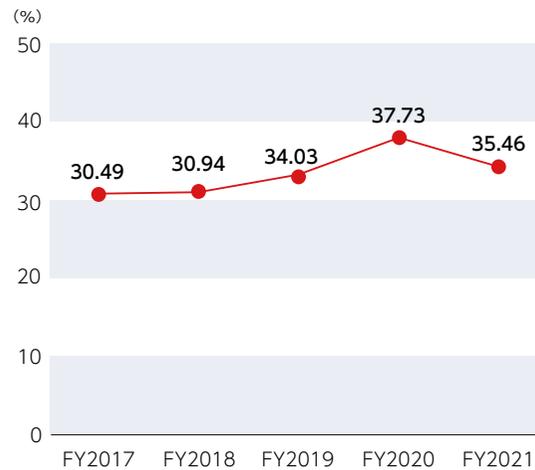
Ordinary profit / Ordinary profit to net sales ratio



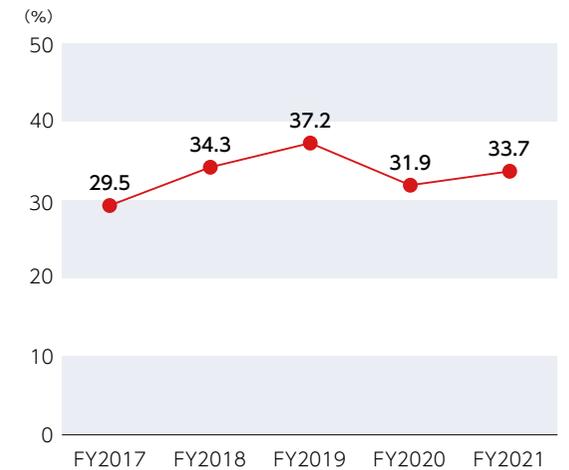
ROE



Equity ratio



Total payout ratio



/ Key Financial Data

Please see "Securities Report" for more
information about Financial Data. ▶

■ Financial data (consolidated)

(fiscal year)

	Unit	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021*
Net sales	millions of yen	396,732	400,252	442,213	441,723	442,042	446,335	461,749	493,627	491,348	432,185	462,725
Operating profit	millions of yen	6,634	7,310	9,518	9,815	10,357	10,923	11,402	12,517	11,871	8,983	11,880
Ordinary profit	millions of yen	6,714	7,827	9,782	10,353	11,039	11,704	12,149	13,437	12,804	10,011	11,744
Profit attributable to owners of parent	millions of yen	4,202	5,276	5,483	7,494	7,190	7,777	8,261	9,038	8,950	6,930	8,058
Total assets	millions of yen	195,440	196,740	205,669	204,897	202,891	216,984	235,022	247,747	237,071	237,487	259,413
Interest-bearing debt	millions of yen	34,947	32,357	22,296	11,935	4,972	3,117	3,138	3,048	4,290	4,473	3,710
Net debt to equity ratio	times	0.13	0.09	(0.10)	(0.37)	(0.45)	(0.47)	(0.46)	(0.44)	(0.49)	(0.43)	(0.54)
Net cash provided by (used in) operating activities	millions of yen	11,602	5,729	9,407	12,476	9,114	11,908	6,645	4,387	12,970	5,982	10,213
Net cash provided by (used in) investing activities	millions of yen	(724)	(3,329)	(880)	3,550	(589)	(3,652)	(1,355)	(873)	(2,843)	(3,509)	4,776
Net cash provided by (used in) financing activities	millions of yen	(6,440)	(4,323)	(11,782)	(11,810)	(8,982)	(5,501)	(2,418)	(3,182)	(3,509)	(3,713)	(3,553)
EPS (basic earnings per share)	yen	19.37	24.21	250.78	340.82	326.27	352.45	373.22	408.27	403.55	313.03	364.54
BPS (net assets per share)	yen	151.91	172.81	2,010.64	2,369.99	2,573.88	2,910.02	3,236.29	3,464.20	3,635.18	4,057.16	4,160.75
Dividend per share	yen	5	6	6	-	100	95	110	140	150	100	123
ROA (return on assets)	%	3.4	4.0	4.9	5.0	5.4	5.6	5.4	5.6	5.3	4.2	4.7
ROE (return on equity)	%	20.3	20.8	13.4	15.6	13.2	12.9	12.2	12.2	11.4	8.1	8.9
Equity ratio	%	16.9	19.1	21.4	25.5	28.0	29.6	30.5	30.9	34.0	37.7	35.5
Total payout ratio	%	25.8	24.8	23.9	24.9	30.6	27.0	29.5	34.3	37.2	31.9	33.7

*Net sales for FY2021 shows figure after the application of the Revenue Recognition Accounting Standard.

Consolidated Financial Statements

Consolidated balance sheets

(millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets	185,777	217,584
Cash and deposits	42,567	53,744
Notes and accounts receivable - trade	107,874	–
Notes and accounts receivable - trade, and contract assets	–	121,531
Electronically recorded monetary claims - operating	18,678	22,799
Inventories	14,574	16,147
Other	2,159	3,420
Allowance for doubtful accounts	(77)	(59)
Non-current assets	51,710	41,829
Property, plant and equipment	15,665	12,667
Fixed assets for rent	1,076	1,209
Buildings and structures	3,199	2,932
Machinery and equipment	122	134
Tools, furniture and fixtures	483	384
Land	10,647	7,826
Leased assets	111	171
Construction in progress	24	9
Intangible assets	5,148	3,336
Goodwill	2,910	2,133
Other	2,237	1,202
Investments and other assets	30,896	25,826
Investment securities	13,679	7,889
Long-term monetary claims	1,292	1,129
Deferred tax assets	218	241
Retirement benefit asset	12,205	12,385
Other	3,950	4,523
Allowance for doubtful accounts	(449)	(343)
Total assets	237,487	259,413

(millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities	138,081	158,953
Notes and accounts payable - trade	90,009	96,112
Electronically recorded obligations - operating	33,945	45,815
Short-term borrowings	3,744	3,128
Lease obligations	68	79
Income taxes payable	995	2,870
Provision for bonuses	2,383	2,623
Provision for bonuses for directors (and other officers)	66	70
Other	6,868	8,251
Non-current liabilities	9,163	7,854
Long-term borrowings	728	581
Lease obligations	104	129
Deferred tax liabilities	3,912	2,728
Provision for retirement benefits for directors (and other officers)	196	153
Provision for share awards	139	191
Provision for share awards for directors (and other officers)	127	173
Retirement benefit liability	947	998
Other	3,007	2,898
Total liabilities	147,245	166,808

(millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity	80,474	85,938
Share capital	20,644	20,644
Capital surplus	6,815	6,831
Retained earnings	54,749	60,155
Treasury shares	(1,735)	(1,692)
Accumulated other comprehensive income	9,126	6,042
Valuation difference on available-for-sale securities	4,334	1,798
Deferred gains or losses on hedges	20	48
Foreign currency translation adjustment	(272)	46
Remeasurements of defined benefit plans	5,044	4,149
Share acquisition rights	272	238
Non-controlling interests	368	385
Total net assets	90,242	92,605
Total liabilities and net assets	237,487	259,413

Securing a stable financial foundation

In order to realize growth investments (total of ¥35.0 billion over six years) expected in the quantitative plan of YUASA VISION 360 and Growing Together 2023 and continuous return of profit to shareholders, we consider the stability of the financial foundation to be a most important factor.

YUASA TRADING has received an A- rating from Rating and Investment Information, Inc. (R&I).

Rating and Investment
Information, Inc. (R&I)

A-

/ Consolidated Financial Statements

■ Consolidated statements of income

(millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	432,185	462,725
Cost of sales	389,004	414,487
Gross profit	43,181	48,237
Selling, general and administrative expenses	34,197	36,356
Operating profit	8,983	11,880
Non-operating income	2,173	2,255
Interest income	1,361	1,473
Dividend income	235	249
Other	576	533
Non-operating expenses	1,145	2,391
Interest expenses	903	894
Share of loss of entities accounted for using equity method	160	1,439
Other	81	57
Ordinary profit	10,011	11,744
Extraordinary income	729	2,304
Loss on sale of non-current assets	0	140
Gain on sale of investment securities	679	2,163
Gain on step acquisitions	33	–
Gain on extinguishment of tie-in shares	16	–

(Note) The company applied the Accounting Standard for Revenue Recognition, etc. (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year under review. The key financial data for the fiscal year under review shows the data after the application of the accounting standard, etc.

(millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary losses	265	1,363
Loss on sale of non-current assets	2	1,176
Loss on retirement of non-current assets	41	33
Impairment losses	–	51
Loss on sale of investment securities	88	3
Loss on liquidation of subsidiaries and affiliates	–	54
Loss on valuation of investments in capital	3	–
Loss on disaster	10	–
Loss on COVID-19	117	43
Profit before income taxes	10,475	12,685
Income taxes – current	3,048	4,332
Income taxes – deferred	496	276
Total income taxes	3,544	4,608
Profit	6,930	8,077
Profit (loss) attributable to non-controlling interests	0	18
Profit attributable to owners of parent	6,930	8,058

■ Consolidated statements of comprehensive income

(millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	6,930	8,077
Other comprehensive income	4,799	(3,084)
Valuation difference on available-for-sale securities	1,821	(2,537)
Deferred gains or losses on hedges	19	28
Foreign currency translation adjustment	(163)	319
Remeasurements of defined benefit plans, net of tax	3,122	(895)
Comprehensive income	11,730	4,992
Comprehensive income attributable to owners of parent	11,729	4,974
Comprehensive income attributable to non-controlling interests	0	18

■ Consolidated statements of cash flows

(millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net cash provided by (used in) operating activities	5,982	10,213
Net cash provided by (used in) investing activities	(3,509)	4,776
Net cash provided by (used in) financing activities	(3,713)	(3,553)
Effect of exchange rate change on cash and cash equivalents	(73)	152
Net increase (decrease) in cash and cash equivalents	(1,313)	11,589
Cash and cash equivalents at beginning of period	43,246	41,947
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	13	–
Cash and cash equivalents at end of period	41,947	53,536

YUASA TRADING Group Network (as of October 1, 2022)

Domestic Network

Provide proprietary solutions that connect products, services, and systems.

● Head Office

Sumitomo Fudosan Kanda Bldg. 16-19F
(reception on 17F), 7, Kanda-Mitoshirocho,
Chiyoda-ku, Tokyo 101-8580

● Hokkaido Branch Office

Sapporo Shiroishi Daiichi Seimei Bldg., 6-1-20,
Higashi Sapporo 3-jo, Shiroishi-ku, Sapporo-shi,
Hokkaido 003-8577

● Tohoku Branch Office

1-8-2, Shindenhigashi, Miyagino-ku, Sendai-shi,
Miyagi 983-8545

■ Koriyama Branch Office

2-38-21, Kuwano, Koriyama-shi, Fukushima
963-8025

■ Niigata Branch Office

3-4-10, Bentenbashi, Chuo-ku, Niigata-shi,
Niigata 950-8737

■ Nagano Branch Office

Showa Bldg. 5F, 259-2, Takada, Nagano-shi,
Nagano 381-0034

□ Matsumoto Business Office

Design Center Bldg. 3F, 1095-1, Shimadachi,
Matsumoto-shi, Nagano 390-0852

● Kita-Kanto Branch Office

4-7-5, Miyahara-cho, Kita-ku, Saitama-shi,
Saitama 331-8540

□ Takasaki Business Office

Harajisho 2nd Bldg. 8F, 4-11, Sakae-cho,
Takasaki-shi, Gunma 370-0841

□ Utsunomiya Business Office

Yamaguchi Bldg. 7F, 4-1-20, Higashishukugo,
Utsunomiya-shi, Tochigi 321-0953

■ Higashi-Kanto Branch Office

Sun Plaza Bldg. 3F, 4-5-10, Kashiwa, Kashiwa-shi,
Chiba 277-0005

□ Nishi-Kanto Business Office

Kunitachi KT Bldg. 6F, 1-4-15, Higashi,
Kunitachi-shi, Tokyo 186-8505

■ Yokohama Branch Office

Nisso 5th Bldg. 2F, 2-10-39, Kitasaiwai, Nishi-ku,
Yokohama-shi, Kanagawa 220-0004

■ Shizuoka Branch Office

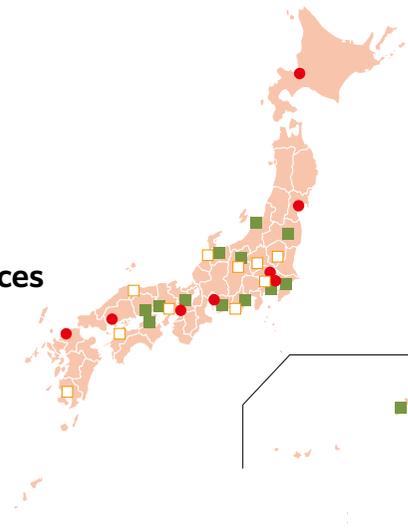
Daidoseimei-Shizuoka Bldg. 2F, 59-6, Kurogane-
cho, Aoi-ku, Shizuoka-shi, Shizuoka 420-0851

□ Hamamatsu Business Office

Hamamatsu Airo Kaikan Bldg. 302, 2-10-1,
Chuo, Naka-ku, Hamamatsu-shi, Shizuoka
430-0929

8 branch offices
13 branches
10 business offices

● Branch offices ■ Branches
□ Business offices



■ Okayama Branch Office

Okazaki Higashi Bldg. 4F, 3-11, Koseidoriminami,
Okazaki-shi, Aichi 444-8577

● Chubu Branch Office

2-171, Takayashiro, Meito-ku, Nagoya-shi, Aichi
465-8503

■ Hokuriku Branch Office

Toyamafukokuseimei 2nd Bldg. 6F, 6-11,
Sakurabashidori, Toyama-shi, Toyama 930-8552

□ Kanazawa Business Office

Urban Useful Bldg. 2F, 8-1, Futatsuyamachi,
Kanazawa-shi, Ishikawa 920-0065

■ Kyoto Branch Office

25, Takedakimitatsugui-cho, Fushimi-ku,
Kyoto-shi, Kyoto 612-8419

● Kansai Branch Office

Yuasa Osaka Bldg. 2-4-12, Minamisenba,
Chuo-ku, Osaka-shi, Osaka 542-8660

□ Kobe Business Office

Harborland Diamond Nissei Bldg. 14F, 1-7-4,
Higashikawasaki-cho, Chuo-ku, Kobe-shi, Hyogo
650-0044

■ Himeji Branch Office

Himejeki Minami Maku Bldg. 4F, 3-50,
Higashinobusue, Himeji-shi, Hyogo 670-0965

■ Okayama Branch Office

Meijiyasudaseimei Okayama Kuwadacho Bldg.
2F, 18-28, Kuwada-cho, Kita-ku, Okayama-shi,
Okayama 700-0984

■ Shikoku Branch Office

6-15, Higashihazemachi, Takamatsu-shi, Kagawa
761-8533

□ Matsuyama Business Office

Obel Bldg. 301, 1-7-1, Takewaramachi,
Matsuyama-shi, Ehime 790-0052

● Chugoku Branch Office

Sanyo Bldg. 8F, 4-6-16, Otemachi, Naka-ku,
Hiroshima-shi, Hiroshima 730-8561

□ Yonago Business Office

Harima Bldg. 4F, 2-218-1, Doshomachi,
Yonago-shi, Tottori 683-0064

● Kyushu Branch Office

Fukuoka Maizuru Square Bldg. 6F, 3-9-39,
Maizuru, Chuo-ku, Fukuoka-shi, Fukuoka
810-0073

□ Kagoshima Business Office

Daiwa Kagoshima Bldg. 4F, 12-13,
Kamoikeshinmachi, Kagoshima-shi, Kagoshima
890-0064

■ Okinawa Branch Office

Okinawaken Kensetsu Kaikan 6F, 5-6-8,
Makininato, Urasoe-shi, Okinawa 901-2131

Group Companies in Japan

The YUASA TRADING Group has 23 Group companies in Japan.

Provide new value and proprietary functions, such as engineering functions and import distributor functions.

● KOKKO CO., LTD.

4600 Nakasu Suwa-shi, Nagano 392-8505
TEL: +81-266-52-2457

● YUASA NEOTEC CO., LTD.

JRE Kanda Ogawa Bldg. 5F, 9-1, Kanda-
Mitoshirocho, Chiyoda-ku, Tokyo 101-0053
TEL: +81-3-6369-1740

● YOUR TECHNICA CO., LTD.

7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo
101-8580
TEL: +81-3-6369-1633

● ROBOT ENGINEERING CO., LTD.

374-4, Arakuchi-machi, Maebashi-shi, Gunma
379-2107
TEL: +81-27-212-5720

● NAKAGAWA KINZOKU CO., LTD.

1-32, Kanda-Suda-cho, Chiyoda-ku, Tokyo
101-0041
TEL: +81-3-3785-7001

● NAGAISANGYO CO., LTD.

1-36, Goi-Kanasugi, Ichihara-shi, Chiba
290-0056
TEL: +81-436-23-1344

● YUASA PRIMUS CO., LTD.

Tomizawacho Green Bldg. 2F, 9-8, Nihonbashi-
Tomizawa-cho, Chuo-ku, Tokyo 103-0006
TEL: +81-3-5695-1515

● YUKO CORPORATION

Yuasa Osaka Bldg. 9F, 2-4-12, Minamisenba,
Chuo-ku, Osaka-shi, Osaka 542-8660
TEL: +81-6-4977-6780

● MARUBOSHI CO., LTD.

2-3-20 Itchibori Nishi-ku, Osaka-shi, Osaka
550-0012
TEL: +81-6-6532-1614

● SANEI CO., LTD.

Miyake Bldg. 4F 402, 549-2, Shinano-cho,
Totsuka-ku, Yokohama-shi, Kanagawa 244-0801
TEL: +81-45-828-3601

● TAKACHIHO CORP.

Yokohama Landmark Tower 9F, 2-2-1,
Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
220-8109
TEL: +81-45-224-6070

● FUSHIMAN SHOJI CO., LTD.

5-1, Kitahachiyonishi, Kita-ku, Sapporo-shi,
Hokkaido 060-0808
TEL: +81-11-716-7101

● YUASA QUOBIS CO., LTD.

OP Bldg. 2F, 1-8, Kanda-Nishiki-cho, Chiyoda-ku,
Tokyo 101-0054
TEL: +81-3-6369-1403

● URAYASU KOGYO CO., LTD.

2-8-7, Kinshi, Sumida-ku, Tokyo 130-0013
TEL: +81-3-3624-2441

● YUASA LUMBER CO., LTD.

OP Bldg. 3F, 1-8, Kanda-Nishiki-cho, Chiyoda-ku,
Tokyo 101-0054
TEL: +81-3-6369-1391

● YUASA MACROS CO., LTD.

1047 Kamatsuka Kounosu-shi, Saitama
369-0112
TEL: +81-48-598-8712

● FUJI QUALITY HOUSE CO., LTD.

1, Nishida-cho, Iesaki-shi, Gunma 372-0058
TEL: +81-270-26-5121

● MARUKEN SERVICE CO., LTD.

7-14, Taiheitori, Nakagawa-ku, Nagoya-shi, Aichi
454-0838
TEL: +81-52-354-3151

● YUASA NENRYO CO., LTD.

2-171, Takayashiro, Meito-ku, Nagoya-shi, Aichi
465-8503
TEL: +81-52-779-8460

● CHUBU IBI CO., LTD.

2-171, Takayashiro, Meito-ku, Nagoya-shi, Aichi
465-8503
TEL: +81-52-779-8460

● YUASA SYSTEM SOLUTIONS CO., LTD.

24-1, Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo
103-0015
TEL: +81-3-5847-7561

● YUASA BUSINESS SUPPORT CO., LTD.

7 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo
101-0053
TEL: +81-3-6369-1688

● connectome.design inc. Equity method affiliate

Haneda Innovation City Zone K 110, 1-1-4,
Hanedakuko, Ota-ku, Tokyo 144-0041

Overseas Network Bring products and solutions developed in Japan to overseas markets and provide new value.



China

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

Taiwan

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

Thailand

- **YUASA TRADING (THAILAND) CO., LTD.**
[Headquarters] Bangkok 4
[Branch] Sriracha 5
- **YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD.**
[Headquarters] Bangkok 6

Malaysia

- **YUASA MECHATRONICS (M) SDN. BHD. 7**
- **NICHI-MA SEIKO REMANUFACTURING (M) SDN. BHD.**
[Headquarters] Kuala Lumpur

Indonesia

- **PT. YUASA SHOJI INDONESIA 8**
[Headquarters] Cikarang

Philippines

- **YUASA TRADING (PHILIPPINES) INC. 9**
[Headquarters] Manila

Vietnam

- **YUASA TRADING VIETNAM CO., LTD.**
[Headquarters] Ho Chi Minh City 10
[Branch] Hanoi 11

India

- **YUASA TRADING INDIA PRIVATE LIMITED**
[Headquarters] Gurgaon 12
[Branch] Bangalore 13

U.S.

- **YUASA-YI, INC.**
[Headquarters] Chicago 14
[Branch] Cincinnati 15
South Carolina 16
New England 17

Mexico

- **YUASA SHOJI MEXICO. S.A. DE C.V. 18**
[Headquarters] Leon



Share Information (as of March 31, 2022)

■ Total number of authorized shares

40,000,000 shares

■ Total number of issued shares

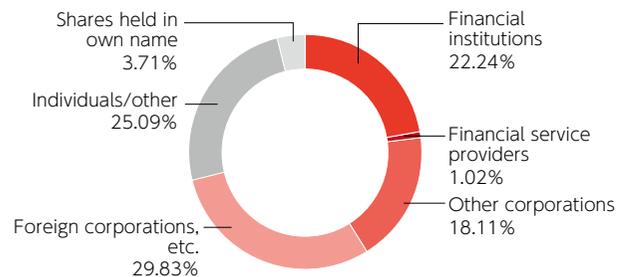
23,155,882 shares
(including treasury share of 860,065 shares)

■ Number of shareholders

7,960

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

■ Shareholder ratio



■ Major shareholders (top 10)

Shareholder name	Number of shares (thousand shares)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd.	2,878	12.91
Custody Bank of Japan, Ltd.	994	4.46
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	900	4.03
BNYMASAGT / CLTS10PERCENT	894	4.01
Yuasa Tankyo Shareholding Association	858	3.85
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND	675	3.02
West YUASA Yamazumi Shareholding Association	663	2.97
East YUASA Yamazumi Shareholding Association	601	2.69
Sumitomo Mitsui Banking Corporation	594	2.66
HIKARI TSUSHIN, INC.	529	2.37

(Note) 1. The number of shares shown in the above list are rounded down to the nearest thousand shares.

2. The ratio of shareholding is calculated by deducting treasury stock and rounded down to the second decimal place.

3. The company holds 860,000 shares as treasury share, which is not included in the above table. Further, the company shares (188,000 shares) held by the Board Incentive Plan is not included in treasury shares.

4. Of the trust bank holding listed above, the number of shares related to trust operations of trust banks is as follows.

The Master Trust Bank of Japan, Ltd. 2,878
Custody Bank of Japan, Ltd. 994

■ Trends of stock price and volume



Company Profile (as of March 31, 2022)

<ul style="list-style-type: none"> ■ Company name YUASA TRADING CO., LTD. ■ Headquarters 7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo ■ Founded March 1666 ■ Established June 25, 1919 ■ Share capital ¥20,644 million ■ Number of employees 2,489 (consolidated) 1,074 (non-consolidated) ■ Stock exchange listing Prime Market of Tokyo Stock Exchange (changed to Prime Market on April 4, 2022) 	<ul style="list-style-type: none"> ■ Security code 8074 ■ Fiscal year April 1 – March 31 of the following year (fiscal year ends in March) ■ Main financial institutions <ul style="list-style-type: none"> [Banking] Sumitomo Mitsui Banking Corporation [Life insurance] SUMITOMO LIFE INSURANCE COMPANY [General insurance] Mitsui Sumitomo Insurance Company, Limited [Securities] Nomura Securities Co., Ltd.
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All communication tools

The YUASA TRADING Integrated Report 2022 is an integrated report of the financial information and non-financial information of the company.

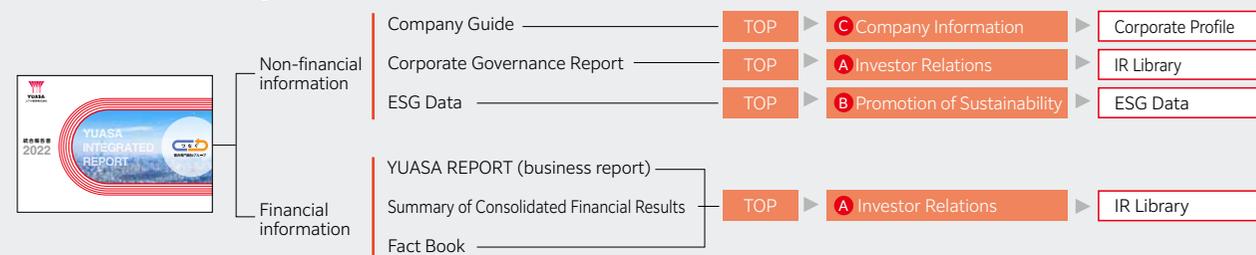
We also display information from multiple angles in reports and on the website as depicted below in order for stakeholders to understand the company.

■ Corporate website

The company overview and new information are also posted on the comprehensive tools (web).



■ YUASA TRADING Integrated Report 2022



Editing Policy

● Basic philosophy

The actual results of the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022) is the main target of this report.

● Scope of items reported

In principle, the results of YUASA TRADING and 41 Group companies (34 consolidated subsidiaries) as of March 31, 2022 are reported.

● Regarding notes to consolidated financial statements

This integrated report has not included the notes to consolidated financial statements. Please see “Securities Report” available on the Investor Relations - IR Library on the corporate website for these notes.

● Precautions on forward-looking statements

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

● Date of publishing

November 2022